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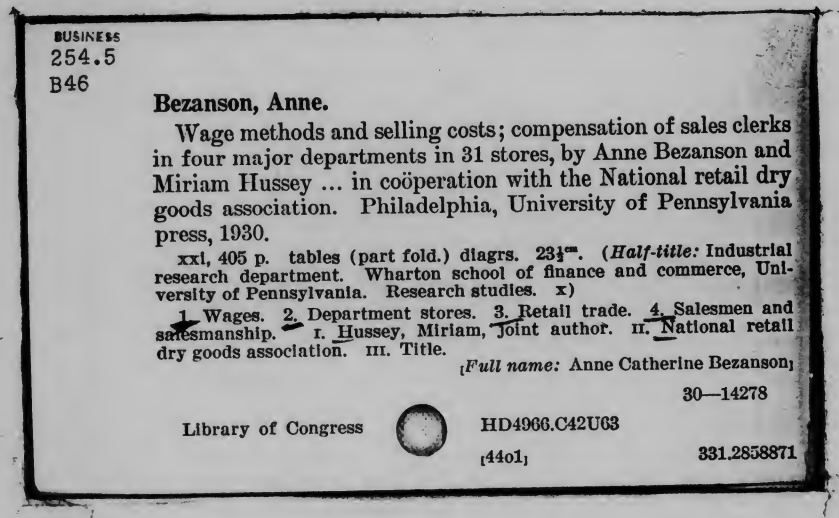

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WAGE METHODS AND SELLING COSTS

COMPENSATION OF SALES CLERKS IN FOUR MAJOR DEPARTMENTS IN 31 STORES

BY

ANNE BEZANSON

AND

MIRIAM HUSSEY

Industrial Research Department
Wharton School of Finance and Commerce
University of Pennsylvania

V. 10

In Coöperation with the
National Retail Dry Goods Association

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PREFACE

The study of sales clerks' compensation was undertaken at the request of the Store Managers' Division of the National Retail Dry Goods Association. Three preliminary bulletins were released to the participating stores in the course of the study. Bulletin No. 1 summarized the records of 28 Hosiery Departments for September 1928. No. 2 gave quarterly summaries for 37 Ready-to-Wear Departments and No. 3 quarterly summaries for Hosiery and House Furnishings. Some of the final findings were presented at the Annual Convention of the National Retail Dry Goods Association, February 1930 and later published in the March *Bulletin.* Many aspects of the study, however, are considered for the first time in this summary.

The study was initially made possible by the work of Mr. J. H. Paswaters, chairman of the Store Managers' Division at the time of its inception, Mr. Edwin L. Stoiber, secretary of the Store Managers' Division, and Miss B. Eugenia Lies, chairman of the Planning Committee of the association. The discussion and suggestions made by all members of the Planning Committee were helpful in the conduct and extension of the work. Especial mention is also made of the help of Mr. Otho J. Hicks. During the period when the data were being collected, the active interest of Mr. Chester Curtis did much to keep the membership in touch with the purpose of the research. The study had the active support of both Mr. Lew Hahn and Mr. Channing E. Sweitzer, former and present Managing Directors of the National Retail Dry Goods Association. Many others, and especially the officials of participating stores, should be credited with much aid in furthering the attempt to make the information on compensation of sales clerks more useful.

Within the Industrial Research Department, we are in-

debted to all members of the staff of Section I, especially to Marjorie Denison for supervision of the tabulation and preparation of charts, to Robert Gray for work on all stages of the study and for the analysis of the relation of fluctuations in business to the work of individuals. Helen L. Klopfer tabulated the methods of payment questionnaire and made the analysis of store practice in granting employees discounts.

CONTENTS

CHAPTER		PAGE
I	Introduction	1
II	Description of Methods of Wage Payment	7
III	Difficulties in Operation of Methods of Wage Payment	19
IV	How Much of the Sales Clerk's Earnings Arise from Commissions and Bonuses?	29
V	Methods of Payment Used in Each Department in 145 Stores	39
VI	Compensation and Sales in 29 Hosiery Departments	54
VII	Seasonal Factors in Compensation in Hosiery Departments	85
VIII	Compensation and Sales in 31 Ready-to-Wear Departments	116
IX	Seasonal Factors in Compensation in Ready-to-Wear Departments	146
X	Compensation and Sales in 18 Men's Clothing Departments	177
XI	Seasonal Factors in Compensation in Men's Clothing Departments	203
XII	Compensation and Sales in 21 House Furnishings Departments	220
XIII	Seasonal Factors in Compensation in House Furnishings Departments	236
XIV	Returns in Hosiery and Ready-to-Wear Departments	244
XV	Relation of Length of Service and Age to Compensation	252
XVI	Employee Discounts	280
XVII	Working Time in Retail Establishments	289
XVIII	Conclusions	301
	Appendix	350
	Index	401

TABLES

TABLE		PAGE
1	Average Weekly Earnings by Source of Payment in 29 Hosiery Departments—Full-Time Employees	32
2	Average Weekly Earnings by Source of Payment in 31 Ready-to-Wear Departments—Full-Time Employees	34
3	Average Weekly Earnings by Source of Payment in 18 Men's Clothing Departments—Full-Time Employees	36
4	Average Weekly Earnings by Source of Payment in 21 House Furnishings Departments—Full-Time Employees	37
5	Classification of Stores by Method of Payment and Volume	39
6	Method of Payment by Annual Volume of Net Sales and Geographical Area	40
7	Plans of Compensation in the Piece Goods Division	facing 42
8	Plans of Compensation in the Small Wares Division	facing 42
9	Plans of Compensation in the Accessories Division	facing 44
10	Plans of Compensation in the Ready-to-Wear Division	facing 46
11	Plans of Compensation in the Men's and Boy's Wear Division	facing 46
12	Furniture and Men's Clothing Departments Classified by Method of Payment	48
13	Plans of Compensation in the House Furnishings Division	facing 50
14	Plans of Compensation in the Miscellaneous Division	facing 50
15	Comparison of Plans of Compensation in Main Store and Basement Departments	51
16	Summary of Rates Paid in Departments in Quota-BonusStores	facing 52
17	Summary of Sales and Earnings of Full-Time Employees in 22 Hosiery Departments Arranged by Size of Transaction	59
18	Relation of Selling Cost to Transactions in 29 Hosiery Departments	64
19	Distribution of Hosiery Departments by Selling Cost and Method of Payment	66
20	Distribution of Hosiery Departments by Average Weekly Earnings and Method of Payment	67
21	Distribution of Hosiery Departments by Selling Cost and Annual Volume	68
22	Distribution of Hosiery Departments by Average Weekly Net Sales and Annual Volume	69
23	Medians, Quartiles, and Range of Average Weekly Earnings in 29 Hosiery Departments—Full-Time Employees	73
24	Medians, Quartiles, and Range of Average Weekly Net Sales in 29 Hosiery Departments—Full-Time Employees	75
25	Medians and Range of Selling Costs in 29 Hosiery Departments—Full-Time Employees	76

TABLE		PAGE
26	Compensation and Sales in Hosiery Departments with Annual Net Sales of Less Than $120,000—Full-Time Employees and Twelve-Months Employees	77
27	Compensation and Sales in Hosiery Departments with Annual Net Sales of $120,000 and Less Than $240,000—Full-Time Employees and Twelve-Months Employees	79
28	Compensation and Sales in Hosiery Departments with Annual Net Sales of $240,000 and Over—Full-Time Employees and Twelve-Months Employees	82
29	Distribution of Percentage of Annual Business Done in Each Month in 25 Hosiery Departments	87
30	Monthly Percentages of Selling Cost in 29 Hosiery Departments—All Employees	88
31	Medians of Average Weekly Net Sales of Full-Time and Twelve-Months Employees in Hosiery Departments by Method of Payment	89
32	Fluctuations in Business and Individual Weekly Net Sales in 25 Hosiery Departments	92
33	Index Numbers of Average Weekly Earnings by Method of Payment in Hosiery Departments—Twelve-Months Employees—Base-Average of the Year	96
34	Medians of Average Weekly Earnings by Method of Payment in Hosiery Departments—Twelve-Months Employees	98
35	Average Weekly Earnings of Full-Time Employees in Four Hosiery Departments	98
36	Median Selling Cost by Method of Payment in Hosiery Departments—Twelve-Months Employees	100
37	Median Selling Cost by Method of Payment in Hosiery Departments—All Employees	102
38	Index Numbers of Average Weekly Net Sales by Method of Payment in Hosiery Departments—Twelve-Months Employees—Base-Average of the Year	103
39	Distribution of December Business in Seven Hosiery Departments	110
40	Selling Cost Percentages of Employees Working on Different Time Schedules in 29 Hosiery Departments	113
41	Summary of Sales and Earnings in 31 Ready-to-Wear Departments—Full-Time Employees	123
42	Distribution of Average Weekly Earnings and Net Sales in 31 Ready-to-Wear Departments—Full-Time Employees	126
43	Distribution of Ready-to-Wear Departments by Average Weekly Earnings and Annual Volume	127
44	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of Less Than $360,000—Full-Time Employees and Twelve-Months Employees	128
45	Net Sales and Selling Costs in Small Ready-to-Wear Departments	129
46	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $360,000 and Less Than $840,000—Full-Time Employees and Twelve-Months Employees	130

TABLE		PAGE
47	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $840,000 and Over—Full-Time Employees and Twelve-Months Employees	132
48	Net Sales and Selling Costs in Ready-to-Wear Departments by Annual Volume	134
49	Medians, Quartiles, and Range of Average Weekly Net Sales in 31 Ready-to-Wear Departments—Full-Time Employees	135
50	Distribution of Medians, Quartiles and Range of Average Weekly Net Sales in 31 Ready-to-Wear Departments—Full-Time Employees	138
51	Medians, Quartiles, and Range of Average Weekly Earnings in 31 Ready-to-Wear Departments—Full-Time Employees	140
52	Distribution of Medians, Quartiles, and Range of Average Weekly Earnings in 31 Ready-to-Wear Departments—Full-Time Employees	141
53	Earnings, Sales and Selling Cost of Full-Time Employees—Ready-to-Wear Departments Classified by Size of Store and Wage Groups	fac. 144
54	Median Selling Cost of Net Sales Thirds in Ready-to-Wear Departments	145
55	Earnings, Sales and Selling Costs of Full-Time Employees—Ready-to-Wear Departments Classified by Size of Store and Net Sales Groups	fa. 145
56	Distribution of Percentage of Annual Business Done in Each Month in 27 Ready-to-Wear Departments—All Employees Including Part-Time and Per Diem	147
57	Monthly Percentages of Selling Cost in 31 Ready-to-Wear Departments—All Employees	148
58	Fluctuations in Business and Individual Weekly Net Sales in 27 Ready-to-Wear Departments	150
59	Average Weekly Earnings by Method of Payment in Ready-to-Wear Departments—Twelve-Months Employees—Index Numbers and Medians	152
60	Average Weekly Net Sales by Method of Payment in Ready-to-Wear Departments—Twelve-Months Employees—Index Numbers and Medians	155
61	Average Weekly Transactions by Method of Payment in Ready-to-Wear Departments—Twelve-Months Employees—Index Numbers	158
62	Average Size of Transaction by Method of Payment in Ready-to-Wear Departments—Twelve-Months Employees—Index Numbers	161
63	Average Selling Cost by Method of Payment in Ready-to-Wear Departments—Twelve-Months Employees—Medians	163
64	Percentage of Returns on Gross Sales—All Ready-to-Wear Departments	164
65	Distribution of Monthly Selling Cost—Part-Time and Per Diem Sales Clerks—13 Ready-to-Wear Departments Employing Part-Time Sales Clerks in Every Month	172
66	Selling Cost Percentages of Employees Working on Different Time Schedules in 31 Ready-to-Wear Departments	175
67	Distribution of Men's Clothing Departments by Selling Cost and Annual Volume	183

TABLE		PAGE
68	Distribution of Men's Clothing Departments by Average Weekly Net Sales and Annual Volume	184
69	Distribution of Men's Clothing Departments by Average Weekly Earnings and Annual Volume	184
70	Size, Number, and Cost of Transactions in Men's Clothing Departments	186
71	Medians, Quartiles, and Range of Average Weekly Earnings in 18 Men's Clothing Departments—Full-Time Employees	191
72	Distribution of Medians, Quartiles, and Range of Average Weekly Earnings in 18 Men's Clothing Departments—Full-Time Employees	192
73	Medians, Quartiles and Range of Average Weekly Net Sales in 18 Men's Clothing Departments—Full-Time Employees	194
74	Distribution of Medians, Quartiles and Range of Average Weekly Net Sales in 18 Men's Clothing Departments—Full-Time Employees	195
75	Medians and Range of Selling Costs in 18 Men's Clothing Departments—Full-Time Employees	196
76	Compensation and Sales in Men's Clothing Departments with Annual Net Sales of Less Than $150,000—Full-Time Employees and Twelve-Months Employees	196
77	Compensation and Sales in Men's Clothing Departments with Annual Net Sales of $150,000 and Less Than $450,000—Full-Time Employees, Twelve-Months Employees and Earnings Thirds	198
78	Compensation and Sales in Men's Clothing Departments with Annual Net Sales of $450,000 and Over—Full-Time Employees, Twelve-Months Employees and Earnings Thirds	201
79	Distribution of Percentage of Annual Business Done in Each Month in 15 Men's Clothing Departments	205
79A	Monthly Percentages of Selling Cost in 18 Men's Clothing Departments—All Employees	206
80	Index Numbers of Average Weekly Earnings in Men's Clothing Departments—Twelve-Months Employees—Base-Average of the Year.	208
81	Index Numbers of Average Weekly Net Sales in Men's Clothing Departments—Twelve-Months Employees—Base-Average of the Year	208
82	Index Numbers of Average Weekly Number of Transactions in Men's Clothing Departments—Twelve-Months Employees—Base-Average of the Year	213
83	Index Numbers of Average Size of Transaction in Men's Clothing Departments—Twelve-Months Employees—Base-Average of the Year	213
84	Summary of Sales and Earnings in House Furnishings Departments Arranged by Size of Transaction—Full-Time Employees	223
85	Average Weekly Earnings and Net Sales in House Furnishings Departments Divided by Size of Sales Check	224
86	Selling Costs in 11 House Furnishings Departments Classified by Size of Sales Check	225
87	Compensation and Sales in House Furnishings Departments—Full-Time Employees Grouped by Size of Sales Check	226
88	Compensation and Sales in House Furnishings Departments with Annual Net Sales of Less Than $100,000 and $100,000 and Over—Full-Time Employees and Twelve-Months Employees	228
89	Average Weekly Net Sales in House Furnishings Departments Classified by Size and Method of Pay	230
90	Frequencies—Earnings, Sales, and Selling Cost by Wage Groups in House Furnishings Departments	231
91	Comparison of Selling Cost Percentages in House Furnishings, Hosiery, and Ready-to-Wear Departments in the Same Stores	232
92	Comparison of Average Weekly Net Sales in House Furnishings, Hosiery, and Ready-to-Wear Departments in the Same Stores	234
93	Comparison of Average Weekly Earnings in House Furnishings, Hosiery, and Ready-to-Wear Departments in the Same Stores	235
94	Distribution of Percentage of Annual Business Done in Each Month in 14 House Furnishings Departments	237
95	Monthly Percentages of Selling Cost in 21 House Furnishings Departments—All Employees	239
96	Selling Cost and Proportion of Total Net Sales by Employees on Different Time Schedules in House Furnishings Departments	241
97	Percentages of Returns in Hosiery Departments—Full-Time Employees	247
98	Percentages of Returns in Ready-to-Wear Departments—Full-Time Employees	248
99	Percentages of Returns in Hosiery Departments—Full-Time Employees by Net Sales Thirds	250
100	Percentages of Returns in Ready-to-Wear Departments—Full-Time Employees by Net Sales Thirds	250
101	Cumulative Percentages by Length of Service of Full-Time Employees in Hosiery Departments	255
102	Cumulative Percentages by Length of Service of Full-Time Employees in Ready-to-Wear Departments	256
103	Percentage Still Employed at End of Study and Percentage of Separations During the Study in Ready-to-Wear Departments—Full-Time Employees	261
104	Computation of Relative Worth of Hosiery Sales Clerks in One Department	264
105	Turnover of Full-Time Employees by Relative Standing in the Hosiery Departments	265
106	Turnover of Full-Time Employees by Relative Standing in the Ready-to-Wear Departments	266
107	Turnover of Part-Time and Per Diem Employees by Relative Standing in Ready-to-Wear Departments	268
108	Cumulative Percentages by Age of Full-Time Employees in Hosiery Departments	270
109	Cumulative Percentages by Age of Full-Time Employees in Ready-to-Wear Departments	271
110	Age of Full-Time Employees by Relative Standing in the Hosiery Departments	277

TABLE		PAGE
111	Age of Full-Time Employees by Relative Standing in the Ready-to-Wear Departments	278
112	Discount Rate Allowed Employees on Purchases in the Store	283
113	Restrictions on Employee Discounts	286
114	Hours Worked Per Week in 31 Reporting Stores	291
115	Average Hourly Earnings in Three Departments in 31 Stores Classified by Hours Per Week	294
116	Average Weekly Earnings in Three Departments in 31 Stores Classified by Hours Per Week	295
117	Total Working Hours of Clerks in 29 Reporting Stores	298
118	Analysis of Payments for Absence, Sickness, and Vacation in 145 Stores	facing 300
119	Earnings and Selling Costs under Different Wage Systems in Hosiery Departments	310

CHARTS

CHART		PAGE
I	Average Weekly Earnings and Net Sales Per Employee in Women's Hosiery Departments in 29 Stores Compared with Typical Selling Cost for the Group	56
II	Range of Average Weekly Earnings in 29 Hosiery Departments	71
III	Range of Average Weekly Net Sales in 29 Hosiery Departments	74
IV	Average Weekly Earnings and Net Sales and Selling Cost in 21 Hosiery Departments—Full-Time Employees Grouped by Earnings Thirds	80
V	Percentage of Annual Business Done in Each Month Compared with Individual Weekly Net Sales—25 Hosiery Departments	90
VI	Index Numbers of Average Weekly Earnings in Hosiery Departments by Methods of Payment—Twelve-Months Employees	94
VII	Medians of Average Weekly Earnings in Hosiery Departments by Method of Payment—Twelve-Months Employees	97
VIII	Medians of Selling Cost Percentages in Hosiery Departments by Method of Payment—Twelve-Months Employees	100
IX	Medians of Selling Cost Percentages in Hosiery Departments by Method of Payment—All Employees	101
X	Index Numbers of Average Weekly Net Sales in Hosiery De-Departments by Method of Payment—Twelve-Months Employees	103
XI	Medians of Average Weekly Net Sales in Hosiery Departments by Method of Payment—Twelve-Months Employees	104
XII	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Hosiery Departments—Stores 21, 23, 49, and 70	106
XIII	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Hosiery Departments—Stores 25, 66, and 98	109
XIV	Monthly Selling Cost Percentages in Individual Hosiery Departments—Stores 21, 23, 48, and 49	111
XV	Monthly Selling Cost Percentages in Individual Hosiery Departments—Stores 63, 70, and 85	114
XVI	Average Weekly Earnings and Net Sales Per Employee in Women's Ready-to-Wear Departments in 31 Stores Compared with Typical Selling Cost for the Group	118
XVII	Size of Sales Check Compared with Average Weekly Number of Transactions Per Employee in Women's Ready-to-Wear Departments	121

CHART		PAGE
XVIII	Range of Average Weekly Net Sales in 31 Ready-to-Wear Departments	136
XIX	Range of Average Weekly Earnings in 31 Ready-to-Wear Departments	139
XX	Average Weekly Earnings and Net Sales and Selling Cost in 31 Ready-to-Wear Departments—Full-Time Employees Grouped by Earnings Thirds	142
XXI	Percentage of Annual Business Done in Each Month Compared with Individual Net Sales—27 Ready-to-Wear Departments	149
XXII	Index Numbers of Average Weekly Earnings in Ready-to-Wear Departments by Method of Payment—Twelve-Months Employees	151
XXIII	Index Numbers of Average Weekly Net Sales in Ready-to-Wear Departments by Method of Payment—Twelve-Months Employees	153
XXIV	Medians of Average Weekly Net Sales in Ready-to-Wear Departments by Method of Payment—Twelve-Months Employees	154
XXV	Index Numbers of Average Weekly Number of Transactions in Ready-to-Wear Departments by Method of Payment—Twelve Months Employees	157
XXVI	Index Numbers of Average Size of Transaction in Ready-to-Wear Departments by Method of Payment—Twelve Months Employees	159
XXVII	Medians of Selling Cost Percentages in Ready-to-Wear Departments by Method of Payment—Twelve Months Employees	162
XXVIII	Index Numbers of Percentage of Returns in Ready-to-Wear Departments—Twelve-Months Employees	163
XXIX	Percentage of Annual Business Done in Each Month by Twelve-Months and Full-Time Short-Service Employees in Ready-to-Wear Departments	166
XXX	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Ready-to-Wear Departments—Stores 40, 23, 24, 21, and 2	167
XXXI	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Ready-to-Wear Departments—Stores 30, 41, 12, 98, and 99	168
XXXII	Monthly Selling Cost Percentages in Individual Ready-to-Wear Departments—Stores 23, 24, 63, and 30	170
XXXIII	Monthly Selling Cost Percentages in Individual Ready-to-Wear Departments—Stores 21, 70, 40, and 41	173
XXXIV	Monthly Selling Cost Percentages in Individual Ready-to-Wear Departments—Stores 48, 93, 98, and 99	174
XXXV	Average Weekly Earnings and Net Sales Per Employee in Men's Clothing Departments in 18 Stores Compared with Typical Selling Cost for the Group	180

CHART		PAGE
XXXVI	Size of Sales Check Compared with Average Cost Per Transaction in Men's Clothing Departments	187
XXXVII	Range of Average Weekly Earnings in 18 Men's Clothing Departments	190
XXXVIII	Range of Average Weekly Net Sales in 18 Men's Clothing Departments	193
XXXIX	Percentage of Annual Business Done in Each Month Compared with Individual Weekly Net Sales—14 Men's Clothing Departments	204
XL	Index Numbers of Average Weekly Earnings in Men's Clothing Departments—Twelve-Months Employees	207
XLI	Index Numbers of Average Weekly Net Sales in Men's Clothing Departments—Twelve-Months Employees	209
XLII	Index Numbers of Average Weekly Number of Transactions in Men's Clothing Departments—Twelve-Months Employees	211
XLIII	Index Numbers of Average Size of Transaction in Men's Clothing Departments—Twelve-Months Employees	214
XLIV	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Men's Clothing Departments—Stores 23, 40, 25, and 70	215
XLV	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in Men's Clothing Departments—Stores 41, 21, 66, and 98	217
XLVI	Percentage of Annual Business Done in Each Month by Twelve-Months and Full-Time Short-Service Employees in Men's Clothing Departments	219
XLVII	Average Weekly Earnings and Net Sales Per Employee in House Furnishings Departments in 21 Stores	222
XLVIII	Percentage of Business Done in Each Month by All Employees in House Furnishings Departments	238
XLIX	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in House Furnishings Departments—Stores 2, 21, and 66	240
L	Percentage of Annual Business Done in Each Month by Employees on Different Time Schedules in House Furnishings Departments—Stores 25, 93, and 98	243
LI	Cumulative Percentages by Age of Full-Time Employees in Hosiery Departments	269
LII	Cumulative Percentages by Age of Full-Time Employees in Ready-to-Wear Departments by Volume of Department	272
LIII	Cumulative Percentages by Age of Full-Time Employees in Ready-to-Wear Departments	274
LIV	Comparison of Economical Points of Operation of Wage Systems in Hosiery Departments	304
LV	Comparison of Economical Points of Operation of Wage Systems in Ready-to-Wear Departments	315

APPENDIX TABLES

TABLE		PAGE
1	Rates of Commission Paid in the Piece Goods Division	350
2	Rates of Commission Paid in the Small Wares Division	352
3	Rates of Commission Paid in the Women's Accessories Division	354
4	Rates of Commission Paid in the Ready-to-Wear Division	356
5	Rates of Commission Paid in the Men's Clothing Division	358
6	Rates of Commission Paid in the House Furnishings Division	360
7	Rates of Commission Paid in the Miscellaneous Division	362
8	Rates of Commission Paid in the Basement Division	364
9	Methods of Pay and Rates of Commission in Each Department in Six Stores Paying by Two or More Plans	366
10	Rates of Commission in Each Department in 22 Stores Paying by Quota-Bonus Method	368
11	Amount and Percentage of Average Weekly Earnings from Bonus and Commission in Hosiery Departments	370
12	Average Weekly Earnings in Women's Hosiery Departments—Full-Time Employees	371
13	Average Weekly Net Sales in Women's Hosiery Departments—Full-Time Employees	372
14	Average Weekly Number of Transactions in Women's Hosiery Departments—Full-Time Employees	372
15	Selling Cost Per Cent in Women's Hosiery Departments—Full-Time Employees	373
16	Average Sales Check in Women's Hosiery Departments—Full-Time Employees	373
17	Compensation and Sales in Women's Hosiery Departments with Annual Net Sales of $120,000 and Less Than $240,000—Full-Time Employees Grouped by Earnings Thirds	374
18	Compensation and Sales in Women's Hosiery Departments with Annual Net Sales of $240,000 and Over—Full-Time Employees Grouped by Earnings Thirds	375
19	Compensation and Sales in Women's Hosiery Departments with Annual Net Sales of $120,000 and Less Than $240,000—Full-Time Employees Grouped by Net Sales Thirds	376
20	Compensation and Sales in Women's Hosiery Departments with Annual Net Sales of $240,000 and Over—Full-Time Employees Grouped by Net Sales Thirds	377
21	Percentage of Annual Business Done in Each Month in 25 Hosiery Departments	378
22	Amount and Percentage of Average Weekly Earnings from Bonus and Commission in Ready-to-Wear Departments	facing 379

TABLE		PAGE
23	Average Weekly Earnings in Ready-to-Wear Departments—Full-Time Employees	379
24	Average Weekly Net Sales in Ready-to-Wear Departments—Full-Time Employees	380
25	Average Weekly Number of Transactions in Ready-to-Wear Departments—Full-Time Employees	380
26	Selling Cost Per Cent in Ready-to-Wear Departments—Full-Time Employees	381
27	Average Sales Check in Ready-to-Wear Departments—Full-Time Employees	381
28	Average Cost Per Sales Check in Ready-to-Wear Departments—Full-Time Employees	382
29	Average Percentage of Returns on Gross Sales in Ready-to-Wear Departments—Full-Time Employees	382
30	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of Less Than $360,000—Full-Time Employees Grouped by Earnings Thirds	383
31	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $360,000 and under $840,000—Full-Time Employees Grouped by Earnings Thirds	384
32	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $840,000 and Over—Full-Time Employees Grouped by Earnings Thirds	385
33	Medians and Range of Selling Cost in 31 Ready-to-Wear Departments—Full-Time Employees	386
34	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of Less Than $360,000—Full-Time Employees Grouped by Net Sales Thirds	387
35	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $360,000 and under $840,000—Full-Time Employees Grouped by Net Sales Thirds	388
36	Compensation and Sales in Ready-to-Wear Departments with Annual Net Sales of $840,000 and Over—Full-Time Employees Grouped by Net Sales Thirds	389
37	Percentage of Annual Business Done in Each Month in Ready-to-Wear Departments	390
38	Average Weekly Earnings in Men's Clothing Departments—Full-Time Employees	390
39	Average Weekly Net Sales in Men's Clothing Departments—Full-Time Employees	391
40	Average Weekly Number of Transactions in Men's Clothing Departments—Full-Time Employees	391
41	Selling Cost Per Cent in Men's Clothing Departments—Full-Time Employees	392
42	Average Sales Check in Men's Clothing Departments—Full-Time Employees	392

TABLE		PAGE
43	Average Cost Per Sales Check in Men's Clothing Departments—Full-Time Employees	393
44	Average Percentage of Returns on Gross Sales in Men's Clothing Departments—Full-Time Employees	393
45	Compensation and Sales in Men's Clothing Departments with Annual Net Sales of $150,000 and under $450,000—Full-Time Employees Grouped by Net Sales Thirds	394
46	Compensation and Sales in Men's Clothing Departments with Annual Net Sales of $450,000 and Over—Full-Time Employees Grouped by Net Sales Thirds	395
47	Percentage of Annual Business Done in Each Month in 15 Men's Clothing Departments	395
48	Compensation and Sales in House Furnishings Departments with Annual Net Sales of Less Than $100,000—Full-Time Employees Grouped by Earnings Thirds	396
49	Compensation and Sales in House Furnishings Departments with Annual Net Sales of $100,000 and Over—Full-Time Employees Grouped by Earnings Thirds	397
50	Percentage of Annual Business Done in Each Month in 14 House Furnishings Departments	398
51	Percentage of Returns on Gross Sales in Women's Hosiery Departments	398
52	Percentage of Returns on Gross Sales in Women's Coat Departments	399
53	Percentage of Returns on Gross Sales in Women's Suit Departments	399
54	Percentage of Returns on Gross Sales in Women's Dress Departments	400

CHAPTER I

INTRODUCTION

This study of sales clerks' compensation started with many advantages. It was first proposed by store executives. It had, from the beginning, the interest of many with experience in the operation of different methods of payment. From the inception of the plans for a study, it was admitted that in each store somewhat different methods and policies in compensating sales clerks were being pursued, many different systems of reward were in use, and somewhat different results were being attained. Could the effect of the various methods of payment be appraised? Were stores, despite the different forms of reward, paying about the same amounts to their sales clerks? Were individual earnings related to sales? Was one method of payment more successful than others?

After months of discussion, it was decided to attempt to study, in some detail, the records of a few selling departments in different stores. These records include the earnings of sales clerks, the volume of individual sales, the selling costs, the number of customers served, and the amount of goods returned after they were once purchased.

The objective facts decided upon for study show that the method of payment adopted in selling must be considered not only from the point of view of what it costs the store and what is paid to the sales person, but whether it induces the sales person to overload the customer with merchandise which she is not, after deliberation, fully suited with or prepared to keep. In other words, wage policies, adopted for salesmen, are not alone concerned with internal factors in the store. The benefits to the sales person and the owner

must be matched by effective operation of the store in its relation to its customers.

The object of the study is to clarify some part of the discussion of wage payment in retail selling. It aims to furnish a detailed record of earnings and output in similar departments in a selected group of representative stores. It considers to what extent the problems of payment are peculiar to each local situation and to what extent stores have a similar problem growing out of like merchandising problems.

In pursuing the research, it has been necessary to describe briefly the forms of payment most frequently used; to find out whether the same forms of payment prevail in stores of all sizes, or whether the large store, with more opportunity for specialized selling, is likely to adopt a form of payment unsuited to or untried in small stores.

The analysis of sales clerks' compensation in the chapters which follow is based on three collections of data:

(1) Monthly records of individual employees in women's hosiery, women's ready-to-wear, men's clothing and house furnishings in a representative group of stores for twelve months ending with August 1929.

(2) Supplementary data, giving length of service, age, experience in salesmanship and causes of labor turnover for sales persons included in the records of earnings and sales.

(3) A questionnaire on methods of payment in use in October 1929 in each department in 145 retail establishments.

The general questionnaire shows the prevalence of various forms of payment; the factual data give the results of these methods in different stores.

The departments selected for detailed study are very diverse. Probably the hosiery department offers the best comparison between stores. It normally follows the plan of payment generally prevailing throughout the store; the range of prices is not great, and the department carries

about the same grade of merchandise in all months of the year. Ready-to-wear departments, on the other hand, are likely to adopt some form of payment in which earnings are dependent, at least in part, upon sales. The department has many separate selling units, a wide range in prices, and many problems of inter-selling. There is a contrast between the two departments in seasonality. Hosiery has a high peak of activity in December, when a fifth or a sixth of the business of the year must be handled. Ready-to-wear has less extreme peaks, but it may be said to have two short cycles of business within each year, complicated by a difference in price level for summer and winter apparel. The significance of the differences in the seasons upon wage payment is that in the fall cycle when net sales are high, fewer customers are being served per employee than in the summer months when sales are low. Salesmen in men's clothing departments, in at least half of the stores, are paid on a basis in which earnings vary directly with net sales. House furnishings departments offer the least satisfactory comparisons of the study because of differences in the organization of the department and in the combination of merchandise handled in the various stores.

The problem of comparing the earnings of sales clerks is complicated by the fact that all sales persons on retail store pay rolls do not work the entire period during which the store is open daily; consequently, a separate study has to be made of *full-time* [1] clerks, who report for the entire number of hours every day; of *part-time* clerks who report every day but for fewer hours than full-time clerks; and of *per diem* employees who may work full or part time, but do not work every day in the week. The records of full-time employees have been used for most of the comparisons between stores. Within stores, the earnings and sales of employees on the various time schedules have been compared.

[1] *Full time* as used throughout this study does not refer to length of service or attendance; it distinguishes those who were expected to work the regular hours of the store from those employed to work on special schedules.

It is not a difficult task to summarize the findings in answer to some of the questions with which this study started. It is easy to say that stores are not paying the same amount to sales clerks even in similar departments. Neither are selling costs the same between stores nor are individual sales clerks averaging the same volume of net sales. To these factual questions the answers are quite definite. Three hundred eighty-three dollars' worth per week is the average weekly net sales in the hosiery departments in the study paying less than $18.00 per week; $435 in the departments paying $18.00 to $21.00 and $587 in hosiery departments paying $21.00 per week and over. The same tendency to find that net sales are highest in departments paying the highest level of wages is found in other departments. The women's and misses' ready-to-wear departments paying less than $23.00 per week averaged $466 in individual weekly net sales; those with earnings of $23.00 to $27.00 averaged $565 in net sales, and the stores with average earnings of $27.00 and more show $725 in net sales per sales clerk.

In the men's clothing departments where there is a tendency for earnings to be paid in direct relation to sales, the group of stores averaging less than $38.00 per week made average weekly net sales of $673 per employee; those with earnings of $38.00 and over made an average of $1,065 in net sales per employee.

The high earnings may be due as much to the planning of the employer as to the competence of the sales person. It is admitted that the speed with which sales can be made depends upon physical equipment, arrangement of stock, complication of sales check, and many factors unrelated to the method of wage payment outside the control of the sales clerk.

In presenting the factual data of the study, four methods of analysis have been adopted for the comparisons of wage payment within stores.

(1) Sales clerks in each department have been classed into three earnings groups. The low-wage group will not be earning the same in each store, since the classification is not on an absolute basis but on the basis of what is low in each particular department. The middle and high earning groups give the stores a chance to compare their average and best earnings with those in the same department in other organizations.

(2) Sales clerks are also classed on the basis of their average weekly net sales in three groups, which, for brevity, we have termed "efficiency groups." Like the wage grouping, the subdivision for each department is made on the basis of its own net sales. The group making low net sales in one store may be as good as the best in another, but they are low compared with the standard of the department in which they work.

(3) A method of rating employees on the basis of sales and selling cost has been developed for the analysis of the significance of labor turnover. This method is used to show whether stores are losing, in turnover, a high percentage of their most efficient or their least efficient sales clerks. It is also used in the final chapter to find out whether there is a higher proportion of employees far above or below the department standard in one method of payment than in another.

(4) The effect of seasonal fluctuations upon the work of individuals is shown in each department by a study of the monthly records of identical employees who worked in the same department during each of the twelve months of the study.

It is more difficult to give an answer to the major question of interest to store managers: what degree of success is attributable to different methods of payment? Such a question cannot be discussed in general terms, if indeed it can be answered conclusively at all. The methods of payment show varied results in different organizations; each of the

systems is being operated successfully in some store in which the management knows how and has the administrative setting to operate its plan effectively.

There is a further difficulty in the basis of sales wage setting. Incentive systems in manufacturing are based upon physical output or upon time saved in doing an operation. Remuneration will vary with individual efficiency and the control of work. The incentive systems in retail selling are related to net sales and in this respect are linked to price changes. They will operate differently in up and down swings in demand.

In a study based on a single year, a partial indication of the difficulties in a recession period must be gained by studying seasonal changes within the year. Consequently a summary of the findings on the effect of systems of payment must be deferred to a final chapter when the factual data can be referred to in the discussion.

Some light is thrown on the difficulties encountered in the various forms of payment by the presentation in Chapter III of the opinions of store executives on the operation of the method in effect in their stores. Further evidence is gained by a study of forms of payment within the various departments of each store. In Chapter V it is found that there are certain departments in which many stores tend to resort to straight salary; others, with special problems, show a tendency to lease departments, and others are operated, in the main, on straight commission, even in straight salary stores. The study of the methods of payment in effect in different departments affords some evidence that the form of payment generally prevailing throughout the store breaks down in the sale of some kinds of merchandise. Evidence of the same kind is furnished by a study of the rates of commission paid in different departments.

CHAPTER II

DESCRIPTION OF METHODS OF WAGE PAYMENT

A classification of the methods of payment in use in department stores is difficult because:

(1) The terminology is not standardized;
(2) Some departments with special problems of selling are likely to be paid by a different method than the one generally prevailing throughout the store;
(3) There are many variations in rates of commission and methods of adjustment even within the same general plan of payment.

The three words "commission," "quota" and "bonus" cause endless confusion. Strictly speaking, payment of a commission is synonymous with the payment of a piece rate in industry. In merchandising, net sales are the unit of output and under a straight commission plan of payment an employee receives a flat rate of pay based on his sales. Because of fluctuations in demand, it is frequently necessary to operate the method with a weekly drawing account and adjustments over a long period. The employee who does not earn the drawing account is in arrears until he makes up the shortage by higher sales. The term "commission" is actually used by stores when the drawing account is guaranteed but is expected to be earned by a percentage paid periodically on all net sales. Again the term "commission" is used in connection with a form of payment closely related to straight salary, in which the bulk of the earnings comes from the weekly salary, but in which the employee is paid in addition a small uniform flat percentage, usually one-half or one per cent, on all sales. It is also used to designate a differential rate on sales.

Since "commission" is used in these different ways in

methods of payment, it is necessary to designate the payment without a guaranteed drawing account as *straight* commission, and that with a small uniform percentage on all sales as a salary plus commission on sales.

"Bonus" is in many cases used almost interchangeably with "commission." It should be reserved for compensation in addition to what is usual or expected, such as the bonus above a quota in some forms of payment. Stims, P.M.'s and other special rewards are also bonuses. Since the stores, however, have terms which cover these payments, we shall confine the use of *bonus* to the quota methods.

The methods of payment in use in retail establishments for employees engaged in selling may be classified under five types as follows:

(1) Straight salary;
(2) Salary plus a commission on all net sales;
(3) Quota-bonus methods, operated with or without a guaranteed wage;
(4) Straight commission methods, operated with or without a drawing account;
(5) Two or more plans and special plans.

Under the straight salary method, the entire compensation is fixed in advance, and is based on time worked, not on performance. As used in retail selling, the salary is set on the basis of a week instead of an hour, as is more usual in manufacturing. It is uniform from one salary review period to another, except in cases of special individual adjustments.

The salary plus commission on all net sales is closely related to the straight salary method. The sales person receives the major part of the compensation at a regular weekly rate based on time worked and not on performance in the same way as a straight salary. In addition, a small percentage at a uniform rate, usually one half of one per cent or one per cent, is paid on all net sales.

A distinction is made in this study between methods which pay a uniform commission on all net sales and those which vary the commission either upward or downward for individual sales above a stipulated amount. Where the commission is varied, the plan has to be classified as a special plan. Stores with very different rates of commission, however, so long as the same rate applies to all sales, have been considered as belonging under the salary plus commission method.

The quota-bonus method of payment ranks midway between the salary plus commission and straight commission methods. The plan is difficult to describe in general terms. Its use is dependent upon careful analysis of past performance. The accounting of the system starts with the selling cost percentage of the departments as shown by past experience. From many of the answers to the general questionnaire, it is impossible to determine just what measure of past experience is most frequently used. The most perfected systems are based on a five- or six-year average. Some use the past three years. A few depend upon the experience of a single year. Many stores seem to hesitate to state precisely the practice which they follow from year to year, leaving some question whether they follow a standard procedure, if indeed they maintain the same system in consecutive years. At any rate, by the use of some unit of normal business and the distribution of monthly sales volume throughout the year, a basis for operation must be determined upon as well as the anticipated percentage of selling costs.

From whatever selling percentage is determined upon for the department is derived that used to fix the quota for individual sales persons. It does not follow, however, that the two will be identical. Some stores use the entire percentage determined upon as a feasible cost for the department; others figure that there will be a certain amount of cost from unidentifiable returns, overpaid drawing accounts and "lost motion" generally, which cannot be distributed to the selling force and must be charged to the department. Consequently, a slightly lower percentage than that set for the department may be used in setting the quota of individual sales persons.

The percentage set for the individual sales quota is the

rate paid on net sales up to the point at which the weekly salary or drawing account is earned. For sales above this amount the sales person is paid a bonus, usually at a lower rate than that used to determine the quota.

An illustration of the use of the entire departmental percentage for setting individual sales quotas is given by one merchant who writes, "We set up what we feel to be a fair selling cost in the department for their quota basis. For example, if we are paying $18.00 a week in a five per cent department, we would set up a quota of $4500 for the period and on any sales in excess of $4500 we would pay a commission of 3¾ per cent." The drawing account the store explains is "about the going basis for work of similar character in our city."

Since the business of the year is more or less seasonal in operation, the planning of quotas for a shorter period than a year is essential. The firm may set a weekly quota; or each month may have a different quota based on the percentage of business done in the department in past years; or the year may be divided into quarters or seasons and an attempt made to include in each division one poor month with two better ones. Where the business of the year is very unequally divided, the quota of each quarter or season may be set on the basis of previous sales experience: that is, 20 per cent of the salary might be charged to the first quarter and 30 per cent to the next quarter, depending upon sales in previous years.

A few concrete illustrations of the way in which the monthly quotas are varied will serve to indicate the budgeting procedure. The illustration below was furnished by the quota-bonus store marked F on Table 10 in the appendix. The manager writes, "We give a quota based on salary for the year. Sales over quota each month entitle sales clerks to a bonus of one-half the amount used to base the quota upon. For example, a weekly salary of $10.00 equals $520 per year. In a 6 per cent department the net sales for the year

would be $8660. Sales over this amount entitle them to a bonus of 3 per cent of sales gain. Each month has a different quota on the percentage of business done in the department in past years."

The form used for the individual and the method of computation are:

Firm *F*

Name..*Jones, Miss A...* Dept..*10*.. Base Rate Wk...*$10*.. Year..*$520*.. 6% Yearly Quota..*$8,660*

Month	Sales Last Year	Sales This Year	%	Quota	Difference	Total Balance	Bonus	Remarks
Jan.		410	6	$ 520	−110			
Feb.		500	6	520	− 20	−130		
Mar.		650	7	600	+ 50	− 80		
Apr.		700	7	600	+100	+ 20		
May		890	8	690	+200	+220	$6.60	$220 @ 3%
June		700	9	780	− 80			
July		700	9	780	− 80	−160		
Aug.		300	7	600	−300	−294		Absent one week—$10 Equivalent sales—$166
Sept.		700	7	600	+100	−194		
Oct.		790	8	690	+100	− 94		
Nov.		980	9	780	+200	+106	$3.18	
Dec.		1,600	17	1,470	+130	+130	$3.90	
Total			100	$8,660				

A second illustration shows a department in another store in which the December sales constitute a smaller proportion of the year's total. A yearly quota of 4½ per cent is allowed. For individual sales over this quota a bonus of 3½ per cent is paid. The yearly quota is subdivided by months.

Month	Quota	Per Cent
January	$ 1,251.84	6.0
February	1,251.84	6.0
March	1,877.76	9.0
April	1,877.76	9.0
May	1,773.44	8.4
June	2,086.40	10.0
July	1,043.20	5.0
August	1,147.52	5.5
September	1,695.12	8.1
October	2,712.32	13.0
November	2,295.04	11.0
December	1,877.76	9.0
Total Year's Quota	$20,890.00	100.0

A drawing account of $18.50 per week is allowed. The first illustration is of a department in which the business of the year is distributed in the way in which it will vary in many hosiery departments, with the lowest sales in January and about one-sixth of the year's sales piled up in the month of December. The second illustration is quite characteristic of monthly changes in volume in the sale of women's ready-to-wear clothing with one-third of the year's total net sales attained in three fall months. These illustrations serve to show the setting of monthly quotas. Other firms budget for a longer period. Firm C describes its method: "We give our sales people a drawing account. This drawing account is about the going basis for work of similar character in our city. We divide the year into four periods and we figure 50 weeks to the year, as we give our people two weeks' vacation with pay and if we figured fifty-two weeks, this would be charging them for the vacation. As a result, if a person is drawing $18.00 a week, we would figure it $900 a year, or $225 for each period of three months.

"In some departments where our business is unequally divided, we set this upon the basis of our sales experience, charging a different proportion of the salary to the various quarters, thus enabling a sales person to earn a commission in every quarter.

"Each quarter stands by itself. That is, if a sales person fails to earn his quota in the going quarter, this is not charged to the next quarter, but the next quarter stands on its own merits. Of course, a continued failure to earn the quota where other sales people in the same department were earning it, would naturally result in a change of employees.

"We have at present a limited number of departments, like the ribbons, laces, and trimmings where it is difficult for the sales people to earn their quota. In these departments we are liable to pay them a trifle more than we would ordinarily give for drawing account."

This presents as clearly as possible the steps in procedure:

(1) The setting up of a "fair selling cost";

(2) The basis for the determination of a drawing account;

(3) The selection of a period which divides the year's sales as evenly as possible, or, when very seasonal merchandise is involved, the allocation of a different ratio of the salary to one period or another;

(4) The determination of the amount of sales to be expected in each period;

(5) The determination of the rate of bonus above quota;

(6) The procedure in case of failure to make the quota.

In passing, it is of interest to note the problem raised in the compensation of employees charged with some other duties as well as selling. The plan described above provides that "where we have people who are acting as assistants in the department who still devote the major part of their time to selling, we usually base the quota of these people on the lowest drawing account in that department. For example, a person might be paid $18.00 a week, whereas the lowest drawing account in that department was $15.00. In that case, the quota would be based on $15.00 and not on $18.00 for the assistant."

The fourth form of payment in use in retail selling is the straight commission. This form is based wholly upon performance. The measure of output is the volume of net sales. The percentage upon which earnings are predicated is the selling cost determined for the department. If paid weekly, the employee receives the product of his net sales times the rate set. On merchandise with seasonal fluctuation where a weekly adjustment would make the income too irregular, a drawing account is allowed and balances paid periodically. The rate of commission is the same on all sales.

If the straight commission system is operated with a drawing account, some provision must be made, just as in the quota-bonus system, for those who fail to earn the amount advanced each week. In both systems the weekly advance either must be automatically reduced or the services of the employee far below in sales must be discontinued. In minor

cases the employee may be carried in arrears. If the entire department is below, they must be carried in arrears or the quotas or commission rate changed. In the straight commission and the quota systems which do not guarantee the weekly wage, the season's records will be balanced.

Actually there are few strictly straight commission plans in use as the method of payment for the entire store. Out of 145 firms who reported their method of payment, only five professed to pay a straight commission, and four of these nullified their own terminology by stating that the weekly wage was guaranteed, showing that their plan was a modification of the straight commission rather than a plan in which earnings are conditioned solely by performance. The straight commission plan is quite widely used in a few departments such as men's clothing, furniture, radio, and musical instruments.

These four forms of payment—straight salary, salary plus commission on all net sales, quota-bonus, and straight commission—describe the plans in use in most stores. There are a few scattering examples of other methods which we shall describe presently.

All of these methods, except the bonus plan, can be, and often are, operated without the setting of quotas. On the other hand, even in straight salary stores, there is a growing tendency to set a quota in order to let sales clerks know what is expected from them, even though their weekly wage is not based directly on net sales.

No new method need be described in stating the forms followed by stores with *two or more plans*. All are using some or all of the four types already described in various departments. To be classified in this group, the use had to be more widespread than the occasional breaking away of one or a few departments. For instance, two stores reported their departments as about equally divided between salary plus commission, quota-bonus, and straight commission; another, salary, quota-bonus and straight commission. The other combinations are of the same order.

Normally the existence of various methods would prevail only in a transition in wage payment, but all plans in process of change were omitted. Consequently two or more plans are considered as the accepted policy in a small number of firms who feel that no one plan fits all their conditions.

In the main, most stores aim to make the method of payment as nearly uniform as possible throughout the store. When some department fails to get results, a change to some other plan follows. The above are more distributed than would be caused by breakdowns in a few places. Exceptions to these more conventional forms of payment deserve attention and are here labeled *Special Plans*. The plans here described were the only exceptions to the four already described occurring in the answers of 145 stores who replied to the questionnaire on methods of wage payment.

Nine special plans are worth description in detail. Although these plans contain important variations, they still resemble the forms already noted.

One variation of straight salary payment is developed in a store which had used straight salary for years. The changes made in the plan were for the purpose of providing an incentive. The plan as now worked out by this store provides that a quota shall be established for each sales clerk, based upon her salary and a standard selling cost for the department. If the clerk exceeds the quota, a bonus of 5 per cent of the salary is paid. The same bonus is paid regardless of the actual amount of sales. This differs from most bonuses in selling in that the amount is directly based on salary instead of sales.

Two other stores have developed plans with more incentive after the quota has been exceeded. In addition to the straight salary, a bonus is paid quarterly to those sales persons whose selling costs are below the percentage allowed in the department. The bonus is computed by multiplying the net sales by one-half the difference between the individual's selling cost and the standard for the department. For example, if the sales clerk had $5000 in net sales in the

quarter and had received $240 in salary, the selling cost would be 4.8 per cent. In a 6 per cent department, this would entitle the sales person to a bonus of $\frac{6.0 - 4.8}{2}$, or .6 per cent. On $5000 in sales a bonus of $30.00 would be paid. Under the plan, the selling percentage of the department would equal the rate originally set up only if those who had high costs exceeded the departmental rate by no more than the one-half difference between the standard and the selling cost of the best sellers. Another store uses a very similar plan, but seems to give each sales clerk the entire percentage between the actual and standard selling costs, instead of sharing in some proportion as in the plans cited above. Under this plan the actual selling cost will, of course, exceed the "standard" or "allowed" selling cost since no one will ultimately have a selling cost below that rate and many may have a higher rate. A definite lower limit is established, while there is no upper limit or check on selling costs. The disadvantage is somewhat mitigated by making only quarterly adjustments. Obviously a weekly or monthly adjustment would combine the worst features of straight salary and straight commission: that is to say, the lowering of costs would be checked both as to the absolute amount and as to the percentages of net sales with no check upon the upper limits.

The store which uses this plan recognizes that the adjustment must be made on a quarterly basis. It feels that this delay impairs somewhat the incentive value of the bonus, which is paid at infrequent intervals, long after sales have been made.

The salary plus commission on net sales has developed more variations than all the other plans put together. One variant, in use now by a number of stores, is almost identified with the name of a large New York store. The plan involves the setting of a quota of sales for each sales person, who receives a commission of one-half of one per cent on all sales up to the quota. On sales above the quota, 2 per cent

commission is paid. The system is dependent upon setting departmental percentages upon the basis of at least five years' experience. The quota is the net amount the employee should sell to earn her weekly salary. The quota varies in different departments and, of course, is changed each month. Commissions are paid weekly. Under this plan, assume the sales person had a quota of $400 per week and a basic weekly salary of $18.00. If she sold $500 worth, her earnings would equal $18.00 + ½ of 1% ($400) + 2% ($100) = $18.00 + $4.00 = $22.00. A similar plan is used by a store which varies the rate of commission paid on sales above the quota from one per cent to 3 per cent, its more usual rate being 1½ per cent.

Another variant of the salary plus commission plan of another type was also reported. The store sets individual sales quotas. If the clerk attains the quota she is paid one-half of one per cent on all sales; if she falls below the quota, she receives only one-fourth of one per cent.

Another development of the salary plus commission on all sales is the *percentage plus* plan. This involves the setting of a "standard" selling cost to be attained in each department. As an incentive to achieve and as a bonus for achievement, a commission of one per cent on all sales is paid to any sales clerk whose selling cost equals or is less than the "standard" which has been set.

Special significance attaches to developments of "group bonus" plans, related to the salary plus commission forms. These methods have been tried to encourage group spirit.

A group plan, as worked out in one store, provides for a doubling of the rate of commission if the sales for the department exceed the sales of the same month of the previous year. Thus one-half per cent commission on all sales becomes one per cent if the total net sales of the department are larger than the year before. Such a plan does not recognize individual performance solely, and thus puts a premium on coöperation. Individual effort is recompensed, since the commission is paid on the net sales of the indi-

vidual, but the rate of commission depends upon the performance of the group.

The other group plan of payment is not as explicitly explained. New sales clerks are put on a straight salary. After several years' service they are paid a commission based on the total net sales of the department for the year. This plan tends to stabilize the labor force, since the commission is not paid unless the sales clerk is on the roll at the end of the year and has worked throughout the year. The plan, it is said, creates among the more experienced sales clerks an interest in the advancement of inexperienced employees. The regulations to be followed in admitting employees to a share in the commission are not specific. The most significant differences between this group plan and the previous one is that every employee does not participate in the commissions and that payment is not made on the basis of individual effort. There is no attempt to set up a measuring stick of efficiency. Length of service is the dominant factor. These special plans indicate experiments to find a combination of salary and sales which can be used throughout the store. The few special plans for departments will be noted later.

From this summary of the methods of payment prevailing in retail selling it is evident that, in one form and another, all except straight salary payment use net sales as an objective measure of the efficiency of sales clerks. Under the salary plus commission plan, the employee is paid so much a week in the form of a time rate and a small percentage per unit of output as measured by net sales. In straight commission the employee is paid at the same rate for each $100 in net sales. The quota-bonus without a guaranteed weekly salary is really an adaptation of a straight commission up to the quota, with features of the salary plus commission plan above the quota. The quota-bonus, with a guaranteed wage—and this is the usual form—becomes a straight salary if the quota is not attained and a salary plus commission above a certain level of sales.

CHAPTER III

DIFFICULTIES IN OPERATION OF METHODS OF WAGE PAYMENT

Fundamentally, the methods of wage payment described in the previous chapter may be divided into three types of which there are many variations:

(1) Those which guarantee a uniform weekly rate to the employee without regard to the fluctuation in sales from season to season;

(2) Those which guarantee part of the compensation, at a regular weekly rate, but provide in addition an incentive in the form of commission on all sales;

(3) Those in which the wage varies more or less directly with sales, the sales clerk benefiting especially in months of good demand.

From the point of view of the store, a method of wage payment which guarantees stability of weekly earnings is likely to involve an irregular selling cost from month to month. The quota-bonus system and commission systems in which earnings are variable tend to avoid extreme fluctuations in selling cost. In practice, however, the systems are usually modified either by changing the percentage from period to period or by guaranteeing a part of the compensation.

Before attempting to present data on the success of wage payment methods in use, a summary is given of the opinions of merchants concerning the difficulties encountered by them in the plan which they had in effect in November 1929. The summary is based on the answer to the question, "What difficulties are you having with your present plan?"

Of all the stores reporting, 41 per cent used the straight salary method. In most stores a few special departments

were compensated on some other basis than straight salary, but the prevailing method in 60 out of 145 was payment on a time basis.

Whether in manufacturing or in merchandising, there are always circumstances under which straight time payment is likely to prevail. Our study showed that there was a tendency for the small store to prefer this form. This preference is accounted for by the necessity for having a system flexible enough to admit of easy transfer of the employee from the sale of one kind of merchandise to another. In a small store, furthermore, there cannot be a fine division of labor. Selling is not highly specialized and the idle time of sales clerks must be utilized in the care of stock.

For these and other causes, the straight salary method of payment is found to be used in stores with an annual volume of less than two millions of dollars. In the main, the only large stores paying straight salary with a volume of over five million dollars are either specialty stores or those selling high-priced merchandise. The salary method then is connected either with volume or with the price of the merchandise.

Many salary stores took their method of payment for granted or cited "no difficulties" in its working. A few stores pointed out general criticism and a few specific objections.

The difficulties experienced in salary methods may be summarized under the headings of:

(1) Employee rating;
(2) Salary increases;
(3) Sales effort;
(4) High costs or lack of flexibility in selling costs.

Some firms state that "ratings are sometimes based on personal appearance" or that "employees' ratings are not always given careful enough attention in detail."

In cases of salary increases, "Sales people feel that they should be raised every year regardless of sales effort or results." The lack of incentive to sales effort and the difficulty of maintaining a reasonable percentage of selling costs

are often combined in the comments. One manager writes, "We would welcome any plan which is definitely equitable. Our plan is calculated to reward those who do make sales and does reward, also, those who do not make sales." These objections from salary stores mostly center about the well-known fact that when a wage plan can be kept going without accurate records of performance as an integral part of its operation, the accounting for adequate appraisal and recognition of what individuals are contributing is likely to be neglected.

On the other hand, the straight salary method is favored by some executives not alone for its simplicity but because:

(1) It is easily understood by applicants;
(2) It encourages the sales clerk by rewarding for intangibles without overstressing sales;
(3) It does not penalize for factors beyond the control of the sales clerk.

The advocates of the system contend that salaries can be adjusted on the basis of recorded performance in a salary system as well as in others; that financial recognition can be given as well to individual differences in selling ability, if adequate use of sales records is made. They point out that the use of a weekly salary avoids irregularity of income to the sales person through sudden changes in economic conditions, style factors, seasonal fluctuations, weather, poor buying and the whole list of factors which affect sales.

The salary plus commission on all sales is used in many of the largest stores. Strangely enough, it seems also to have geographical leanings. Though a few stores in all parts of the country use salary plus commission forms of payment, it outweighs other methods most heavily in large stores on the Atlantic seaboard.

Two main difficulties in the method are reiterated by many:

(1) The problem of deciding the rate of commission which will prove to be an incentive;

(2) The determination of the amount of the basic weekly salary.

Fundamentally the two difficulties are part of the same problem. If a firm is paying a high basic salary, it is unlikely to add to it a high commission on all sales. In our returns the most frequent rate is one-half of one per cent on all sales. Yet one firm writes, "even one per cent is not enough of a stimulant but we doubt the effect of changing to a larger commission and a smaller salary on the weaker members of our sales force." This comment states the triangular nature of the problem; basic salaries tend to be placed too high and cannot be maintained or some adjustment must be made in the rate of commission. On the other hand, the poorer the grade of employees, the more they are dependent upon the regularity of their income; consequently they have little interest in a method which, though it might yield a higher income, would entail some irregularity in weekly earnings. Again, a commission rate which is an incentive in one department or on one grade of merchandise may be inadequate in another.

In citing these difficulties, it should be said that many firms report this method as "working very satisfactorily." Furthermore, a number of recent changes from quota-bonus plans to salary plus commission on all sales are reported.

The salary plus commission system is widely used; it has evolved many variants; and there are differences in practice in the percentage of commission paid. The rates most often used are: one-half of one per cent on all sales, one per cent, and two per cent.

If a tendency in salary plus commission can be gleaned from the answers of stores which were often indefinite, it would seem to be:

(1) In the direction of paying, in some departments, lower weekly salaries than formerly and higher rates of commission. Even firms which started out with a commission of one-half of one per cent reported that from time to time they had placed more and more departments on a higher percentage.

(2) In conditioning the commission upon a certain volume of sales.[1] For instance, instead of paying a flat commission on all sales, no commission of less than a given amount, say $1.00, would be paid in any one month; or, clerks who sold less than a given amount in a week would be paid only the basic weekly salary.

A few stores were very critical of the salary plus commission on all sales method because they found selling costs high. One writes, "We do not think it equitable nor does it produce extra effort on the part of sales people." Another states, "The low percentage paid on net sales is not enough of a stimulant. We are considering a change."

One is hampered in stating the cause for the wholly opposite opinions expressed by a few stores. The difference may be in the basic salary, about which no inquiry was made. It is evident that the rate of commission which it is possible to pay and the extent to which it is an incentive depend upon how the weekly salary is set. If the salary is as high as the current market rate for sales clerks, then a small percentage of commission may prove to be an incentive. If, however, the store is paying the market rate and adds to this a high percentage on all sales, its selling costs are likely to be high unless there is an unusual volume of net sales per clerk.

On the whole, few firms cited difficulties. Many favored the system, pointing out that it is easy to operate and introduces only a small irregularity into the weekly earnings of employees.

Some cautions are essential before stating the difficulties met with under the quota-bonus plans. In the description of the method in the previous chapter, it was pointed out that the ways of making adjustments were widely varied, that sales quotas had to be carefully planned. As a result, firms using the quota-bonus method are continually watching their

[1] This would, in our terminology, class the system as a special plan.

wage payments. If, then, the difficulties which are cited by stores using the plan are more detailed than in others, this fact, in itself, cannot be considered as evidence that the plan is subject to more difficulties than others.

Some of the difficulties cited are:

(1) That conditions change oftener than it is possible to change the quotas;

(2) That seasonal departments have low selling costs at the peak and high selling costs in slow-selling months;

(3) That "it is difficult to make quotas low enough because salaries were too high in the beginning and we have been unable to get them down"; the result is: (a) smaller sales volume has raised some discontent because it has been impossible to make a bonus on the drawing account now paid; (b) in some cases the bonus system makes sales people over-anxious and the customer is "rushed";

(4) That it permits rewarding those who make quotas, but imposes no penalty on those who do not;

(5) That some find the commission beyond quota of little interest;

(6) That the stimulation which the payment of a bonus gives does not come often enough;

(7) That quota-bonus plan (a) is hard for sales clerks to understand; (b) piles up deficits in the slack season and thus discourages sales people; (c) does not act as an incentive;

(8) That "it doesn't work in the small salaried plane as little bonus is collected by these people. Higher salaried producers usually collect some bonus. We have the usual difficulties of 'sales-grabbing' and 'misunderstanding.' "

These difficulties appeared again and again in the answers to the questionnaire, indicating that while it is easy in describing a plan to say that "for failure to make the bonus, salaries will be automatically adjusted," it is no easier in

retail selling than in other occupations to lower wages once they are established. This is indicated by such a comment as, "We have been very slow to lower sales persons' salaries and have rather tried to transfer them into a department where it is possible for them to earn at least their drawing account."

In addition to the statement of difficulties, there is evidence of special adaptations in departments or complete changes throughout the whole store in a considerable number of cases. It is not necessary to give, in detail, the type of adjustments in each department since the basis of payment for selling divisions is given in Chapter IV. In general, the method of payment throughout the store is kept as uniform as is feasible. When some department is not getting results, a change is made. For instance, a straight salary store may put some department on a salary plus commission or a high-priced department such as men's clothing on a straight commission.

On the salary plus commission plan we have such comments as, "No general change has been made in our method of payment, but the tendency is to put more departments on a 2 per cent basis and more on a straight commission"; or, "our entire basement has been changed from a salary plus commission to a straight commission"; or "we have lowered our rate of commission." The quota-bonus plan users change the quota, or experiment with salary plus commission or straight commission.

The result of the changes is that some stores use all of the major payment plans in some of their departments. In addition to the adjustment of special departments, many stores report complete changes for the whole store from one method to another. For instance, "We changed from quota-bonus to straight salary in 1927. In December of that year we put a commission of one-half of one per cent on all sales. This year the commission has been discontinued." Or, "for two years we were on a quota-bonus plan. We are now back to salary plus a commission on all sales." Or, "we changed

from straight salary to quota-bonus because it is difficult to keep salaries well-balanced in former plan."

The questionnaire which was mailed in November gave indications of many changes in prospect in statements such as the following:

"We are in a transition in our method of wage payment. We are planning to go over to straight salary plus one-half of one per cent throughout the store some time early in the year."

"We are going to change from salary plus one per cent to par selling expense in January because the commission on all sales costs too much and the store cannot reduce expenses."

"We are changing from salary plus commission to quota-bonus because selling expenses are high, both individual and departmental."

"We have in mind changing from our straight salary plan to some other method which would be more favorable to our employees and ourselves."

"We are going to change from quota-bonus to straight salary because the bonus plan causes confusion among the sales persons."

From the statements of difficulties in operating certain forms of payment, from the inquiries about the success of wage methods in other stores as well as from the search for a better form of compensation, there is indicated:

(1) Much interest in methods of payment;

(2) Continuous adjustments from time to time in some of the methods in use in one department or another;

(3) A considerable number of recent complete changes in the basis of plan throughout the store;

(4) A number of similar changes in the whole store to be put into effect at or near the beginning of 1930. In other words, there is much experiment, some sheer imitation, and a considerable amount of careful adjustment going on in the effort to work out a form of payment which will be equitable in good and poor seasons.

The difficulty is that one store is adopting the very method which another is giving up; others are making minor changes. The manager of a quota-bonus store writes: "In recent years we have changed the basic quota to conform more nearly with practice. We have made two or three different rates in the same departments and even different rates for different sales persons." Some minor adjustments are inherent in the operation of any plan of payment. Our concern is more with the difficulty of knowing whether the experimenting and changing is getting any nearer to the causes which make a plan inoperative.

Some of the difficulties in methods of compensation are tied up with the fact that a large retail store is a small city in itself. It is, in a way, unfortunate that the job terminology is as uniform as it is. Dozens of occupations different in job requirements, in difficulty of learning, in time required for proficiency, in customer expectations, and in knowledge of merchandise, are classed under what passes for one occupation, "sales clerk," "sales person," or "salesman." If there were, as there are in manufacturing, hundreds of names for the actually separate occupations, perhaps more attention would be given to the factors in the requirements of different positions.

Again, net sales, on which most comparisons of output must be based, are not a perfect measure of sales efficiency. Promptness in approaching customers, general interest, careful stock keeping and many intangibles, as well as ability to sell, enter into the rating of sales clerks' efficiency.

Besides, the amount of net sales to be expected from an efficient employee is something different in one period than in another. However carefully quotas are set, employees will exceed their quotas in one month and fall below in another. The merchant is hampered in setting wages scientifically by the fact that he cannot control the flow of work. Fluctuations in sales, or in volume of work, occur from year to year, from

month to month, in different days of the week and even at different hours of the same day. In other words, the store manager can only partially control the flow of work. He is consequently robbed at the start of the most fundamental basis for scientific wage setting; *i.e.*, standard conditions and a regular and steady volume of work.

It is recognized also that the ease with which sales can be made is affected by factors in the surroundings, such as physical equipment, arrangement of stock, range and type of variations in merchandise, methods of making change, complications of sales check, and many other factors controlled by management.

At best the proper level of commission to pay on each of the varieties of goods handled by most stores can be only an approximation. The ideal would be to grade the commission to the difficulty of selling each kind of goods, but no store could carry this so far as to pay more on old goods than new, sold at the same counter. Both in rates of commission and in seasonal quotas, the store must depend on past experience—a figure which will be fairly even over the long period, but is only approximate for any given short period.

Considering the variables in sales clerks' work, one must admit that some of the difficulties cited in connection with methods of payment are inherent in the fluctuations in demand, in inability to control the flow of work, and in lack of a perfect measure of sales efficiency.

CHAPTER IV

HOW MUCH OF THE SALES CLERK'S EARNINGS ARISE FROM COMMISSIONS AND BONUSES?

Before considering departmental adjustments in wage payment and the rates of commission and bonuses paid on different articles, some statement of the part of compensation received from these sources is essential. These figures are based on four departments intensively studied—hosiery, ready-to-wear, men's clothing, and house furnishings.

In these departments the compensation is sub-divided into three forms:

(1) That received from salary and from drawing accounts, if guaranteed;
(2) That derived from commissions or bonus;
(3) That from P.M.'s, stims, vacations and other sources.

The last classification only needs explanation. P.M.'s are paid for the sale of merchandise which for one reason or another it is desirable to move. They are given by the department managers, sometimes on slow-moving merchandise, sometimes on a few last items of trade-labeled merchandise sold at standard prices set by manufacturers, even sometimes, for a short period, on the fastest-moving items in the department. The latter use is rare and is adopted as an incentive to stimulate sales and create a volume of business in a slow period.[1]

Stims are given for suggesting and putting through sales of combinations of articles, or for bringing in customers. Hosiery sales persons may be paid an extra of $.10 or more for suggesting the purchase of three pairs instead of one;

[1] The P. M.'s on the fastest moving articles have been cited as very effective in salary methods of payment for a short period, such as a week, when trade is slack.

the shoe salesman for suggesting matching hose or hand bags.

P.M.'s are marked when the department is merchandised and may range anywhere from $.10 to $5.00 according to the price of the article, the length of time the merchandise has been in the department, or the appearance of the garment. Not all stores favor the use of extra rewards such as stims and prizes. Out of the 138 who answered the question, 45 stores did not use stims or P.M.'s and some were very much opposed to their use. The other 93 stores used P.M.'s, stims, or prizes, 28 only for slow-moving goods. They are resorted to, especially in selling shoes, millinery, evening wraps, and some luxury articles, if the sale is made through the effort of an employee in another department.

For the group of stores whose records were intensively studied, P.M.'s were an iota of the weekly payment. In hosiery departments paying straight salary, 94 to 100 per cent of the compensation was derived from fixed weekly payments, except in one store. The rest of the payment came mainly from Christmas bonuses and vacations. In salary plus commission departments, 76 to 90 per cent of the earnings arose from weekly salary, except in one store with only 66 per cent. Commissions on sales account for 8 to 20 per cent of the earnings except in one store where more than 30 per cent of the total earnings came in the form of commission; P.M.'s, stims, and vacations amounted to 2 to 4 per cent. The quota-bonus stores vary in salary earnings all the way from 70 to 100 per cent. The three stores with over 92 per cent from the guaranteed weekly wage were, in final results, operating the same as straight salary departments, despite all the effort to set quotas. The rest of the quota-bonus stores paid a trifle lower percentage of the total earnings in straight salary than did the salary plus commission group. The part which is attributable to bonus was a negligible amount of 2 to 6 per cent in three hosiery units. It was as much as 10 to 16 per cent of the earnings in one-half the quota-bonus units and 22 to 30 per cent in three others.

Anywhere from 2 to 6 per cent was accounted for by P.M.'s, stims and vacations.

These percentages answer the question of the amount of the earnings of sales clerks which is variable under methods of payment in which some part of the earnings is dependent upon sales. A second problem is concerned with the level of earnings. In describing methods of payment, it was stated that the rate at which commissions could be set was conditioned somewhat by whether the basic salary was set at the conventional market rate or lower. It is therefore pertinent to see how much the basic weekly earnings averaged in salary plus commission departments and how much the weekly drawing accounts totalled in quota-bonus stores. From this analysis one can say that all the salary plus commission and quota departments, without exception, were paying as much in guaranteed weekly salary as were the salary stores (excepting one high-wage salary plan). In the hosiery departments intensively studied, the commissions and bonuses are an extra reward; the part from salary is about equivalent to the amount paid in weekly wages in straight salary stores.

The weekly earnings and the percentage from each source of compensation in various stores may be noted on Table 1.

What part of the earnings is derived from commissions and bonuses under each of the three wage plans used in women's ready-to-wear departments? The difference in plans is quite definite. In the straight salary stores from 92 to 100 per cent of the earnings comes from salary; in the salary plus commission stores, from 56 to 88 per cent from salary; and in the quota-bonus stores from 68 to 98 per cent from salary.

The figures show that the quota-bonus stores are guaranteeing a wage based on a quota which few clerks can better and, probably, many cannot reach. This is an interesting finding. It could be expected only if the clerks who establish a record of sales well above their quotas are usually advanced to a new weekly drawing account and the amount of bonus participation is thereby lowered.

The percentage of earnings derived from bonuses and

TABLE 1

AVERAGE WEEKLY EARNINGS BY SOURCE OF PAYMENT IN 29 HOSIERY DEPARTMENTS

(Full-Time Employees)

Store Number	Earnings				Percentages			
	Salary	Bonus & Com.	P.M.s. & Stims	Total	Salary	Bonus & Com.	P.M.s. & Stims	Total
Straight Salary								
15	$15.70	1.83	.51	$18.04	87.1	10.2	2.7	100
23	27.13			27.13	100.0			100
24	17.03	.25	.62	17.90	95.1	1.4	3.5	100
59	14.68		.28	14.96	98.2		1.8	100
63	17.09			17.09	100.0			100
71	17.92		.21	18.13	98.8		1.2	100
77	12.28			12.28	100.0			100
85	15.84		.24	16.08	98.5		1.5	100
92	14.65		.65	15.30	95.8		4.2	100
93	19.76		.54	20.30	97.3		2.7	100
Salary Plus Commission								
12	16.54	1.96	.60	19.10	86.6	10.3	3.1	100
20	15.89	2.21	.36	18.46	86.1	12.0	1.9	100
21	18.76	8.53	.51	27.80	67.5	30.7	1.8	100
25	17.20	3.12	.61	20.93	82.2	14.9	2.9	100
30	17.10	3.31	.58	20.99	81.5	15.8	2.7	100
54	17.12	4.21	.70	22.03	77.7	19.1	3.2	100
70	15.54	2.38	.28	18.20	85.4	13.1	1.5	100
72	18.88	1.95	.53	21.36	88.4	9.1	2.5	100
Quota-Bonus								
40	19.43	6.24	.45	26.12	74.4	23.9	1.7	100
41	15.45	2.29	.76	18.50	83.5	12.4	4.1	100
48	16.15	6.48	.20	22.83	70.7	28.4	0.9	100
49	17.09	2.78	1.06	20.93	81.7	13.3	5.0	100
57	15.35	2.96	.43	18.74	81.9	15.8	2.3	100
66	15.36	.08	.45	15.89	96.7	0.5	2.8	100
76	18.86	.48	1.04	20.38	92.5	2.4	5.1	100
79	18.00	2.47	.55	21.02	85.6	11.8	2.6	100
81	17.72	7.16	.22	25.10	70.6	28.5	0.9	100
98	17.08	.83		17.91	95.4	4.6		100
99	19.01	3.21	.02	22.24	85.5	14.4	0.1	100

commissions is less than 2 per cent in ready-to-wear salary departments; from 10 to 40 per cent in salary plus commission, and from 2 to 30 per cent in quota-bonus departments.

The figures indicate a situation apparently not generally recognized. It is that sales clerks in salary plus commission stores, where the rate of commission is usually one-half of one per cent or 1 per cent, and seldom as high as 2 per cent, receive a larger part of their earnings from commissions than sales clerks do from bonuses in quota stores, though the bonus rates are usually as high as 2 to 5 per cent. Here again is evidence that bonus stores are either setting their quotas close to the maximum, or advancing drawing accounts in step with individual net sales.

Earnings from P.M.'s, stims and vacations are about the same proportion of the total in all forms of payment, namely, something less than 6 per cent.

Turning to the absolute figures of average weekly earnings in women's ready-to-wear departments from the three sources, one finds that sales clerks in salary stores receive $22.00 to $30.00. The guaranteed weekly wage in salary plus commission stores varies from $14.00 to $23.00 and in quota-bonus stores from $16.00 to $28.00. The amount received from drawing accounts, weekly, tends to be higher in quota-bonus departments than in salary plus commission and only slightly lower than in straight salary stores. This statement should be tempered by two explanations: first, the number of stores paying a salary in ready-to-wear departments is few; second, the quota-bonus stores have an extremely wide range. The range indicates that the results attained in these organizations by use of the bonus plan are quite different.

The amount received in bonus in salary stores is less than $1.00 a week in all cases, and zero in most. It is $2.00 to $10.00 per week, though more frequently about $4.00, in salary plus commission stores. It is under $9.00 in all quota-bonus stores. The quota stores fall into two groups, one in

TABLE 2

AVERAGE WEEKLY EARNINGS BY SOURCE OF PAYMENT IN 31 READY-TO-WEAR DEPARTMENTS

(Full-Time Employees)

Store Number	Earnings				Percentages			
	Salary	Bonus & Com.	P.M.s. & Stims	Total	Salary	Bonus & Com.	P.M.s. & Stims	Total
Straight Salary								
23	$29.92		.04	$29.96	99.8		0.2	100
24	22.06	.31	1.47	23.84	92.6	1.3	6.1	100
63	22.31			22.31	100.0			100
71	27.08	.03	.32	27.43	98.7	0.1	1.2	100
77	26.24		.06	26.30	99.7		0.3	100
Salary Plus Commission								
02	18.90	3.01	.47	22.38	84.5	13.5	2.0	100
12	20.80	2.71	.51	24.02	86.6	11.3	2.1	100
20	17.01	2.60	.22	19.83	85.8	13.1	1.1	100
21	21.32	8.27	1.34	30.93	68.9	26.8	4.3	100
25	22.33	3.81	.99	27.13	82.3	14.0	3.7	100
54	19.69	4.67	.63	24.99	78.8	18.7	2.5	100
59	14.67	9.78	1.00	25.45	57.7	38.4	3.9	100
70	20.34	2.48	.88	23.70	85.8	10.5	3.7	100
72	18.14	2.87	.48	21.49	84.4	13.3	2.3	100
92	16.37	3.84	.76	20.97	78.1	18.3	3.6	100
Quota-Bonus and Straight Commission								
15	18.59	1.01	.54	20.14	92.3	5.0	2.7	100
30	3.50	22.87	2.91	29.28	12.0	78.1	9.9	100
40	27.92	7.17	.58	35.67	78.3	20.1	1.6	100
41	20.16	3.71	3.90	27.77	72.6	13.4	14.0	100
48	17.61	7.22	.22	25.05	70.3	28.8	0.9	100
49	22.87	5.21	.74	28.82	79.4	18.1	2.5	100
57	24.03	6.55		30.58	78.6	21.4		100
65	16.81	3.58		20.39	82.4	17.6		100
66	19.73	.53	1.13	21.39	92.2	2.5	5.3	100
76	21.80	8.37	1.69	31.86	68.4	26.3	5.3	100
79	25.64	2.33	1.13	29.10	88.1	8.0	3.9	100
81	23.23	.93		24.16	96.1	3.9		100
85	19.90	2.33	.30	22.53	88.3	10.4	1.3	100
93	18.43	3.02	.45	21.90	84.1	13.8	2.1	100
98	19.30	2.47		21.77	88.6	11.4		100
99	17.97	5.45	.54	23.96	75.0	22.8	2.2	100

which the bonus earnings are under $4.00 per week and another in which they are $5.00 to $9.00. In net result the bonuses are less than in salary plus commission stores. P.M.'s, stims and vacations are about the same under all forms of payment, less than $4.00 per week.

The ready-to-wear departments should furnish a test of the compensation under different methods of payment. They normally represent more sales persons than are employed in the others intensively studied; they tend to use commissions and bonus forms, and demand a high grade of salesmanship. The 31 departments here considered have few salary units. This is not untypical. The salary form of payment is not widely used in ready-to-wear. If our group is at all representative, one would conclude that basic weekly salaries tend to be set lower under salary plus commission methods than under straight salary or the quota methods which operate on about the same basis as salary.

The men's clothing departments are dominated by straight commission forms of payment. One-half of our small sample of participating stores are using a strictly piece work or net sales basis. Only three paid a salary plus commission. In these, 54 per cent of the total earnings in one store and 64 per cent in two others were from basic salary. Commission accounted for 30 to 40 per cent and P.M.'s, stims, and vacations, 2 to 5 per cent. The quota stores were not very successful with their bonus payments in men's clothing; two of the three reported might almost as well have operated on straight salary since 92 to 94 per cent of the final earnings came from salary and in only one store did the bonus account for as much as 19 per cent. In the straight commission stores, drawing accounts covered one-half to three-fourths of the total payment. Two stores which settle weekly and pay no drawing account show 90 to 95 per cent of the earnings from commission. Those with drawing accounts pay 16 to 46 per cent in commissions over and above the weekly advances in drawing accounts, or about the same percentage as was earned in commissions in salary plus commission departments; more

TABLE 3

AVERAGE WEEKLY EARNINGS BY SOURCE OF PAYMENT IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Store Number	Earnings				Percentages			
	Salary	Bonus & Com.	P.M.s. & Stims	Total	Salary	Bonus & Com.	P.M.s. & Stims	Total
Straight Salary								
23	$46.41			$46.41	100.0			100
59*	21.95	9.93	.82	32.70	67.1	30.4	2.5	100
77	35.29		.35	35.64	99.0		1.0	100
Salary Plus Commission								
54	24.42	12.02	.61	37.05	65.9	32.5	1.6	100
70	28.57	13.92	2.03	44.52	64.2	31.3	4.5	100
72	26.53	20.15	1.72	48.40	54.8	41.6	3.6	100
Quota-Bonus								
49	40.82	1.61	.91	43.34	94.2	3.7	2.1	100
93	27.32	6.71	.77	34.80	78.5	19.3	2.2	100
98	30.60	2.63		33.23	92.1	7.9		100
Straight Commission								
15	36.41		1.08	37.49	97.1		2.9	100
20	20.76	8.48	.22	29.46	70.5	28.8	0.7	100
21	3.00	49.16	2.65	54.81	5.5	89.7	4.8	100
25	1.69	38.69	.53	40.91	4.1	94.6	1.3	100
40	34.26	16.01	2.80	53.07	64.6	30.2	5.2	100
41	33.22	9.34	3.98	46.54	71.4	20.1	8.5	100
48	32.54	27.88	.68	61.10	53.3	45.6	1.1	100
63	24.96	8.37		33.33	74.9	25.1		100
66	25.19	5.30	3.09	33.58	75.0	15.8	9.2	100

* One member of department on straight commission.

of the final payment in straight commission departments resulted from P.M.'s and stims than was found in any other method of compensation or in any other department of this study.

It would be unsafe to state the relationship of basic salaries under various forms of payment, from a few cases with such

TABLE 4

AVERAGE WEEKLY EARNINGS BY SOURCE OF PAYMENT IN 21 HOUSE FURNISHINGS DEPARTMENTS

(Full-Time Employees)

Store Number	Earnings				Percentages			
	Salary	Bonus & Com.	P.M.s. & Stims	Total	Salary	Bonus & Com.	P.M.s. & Stims	Total
Straight Salary								
15	$15.81		.38	$16.19	97.6		2.4	100
24	19.66	.28	.24	20.18	97.4	1.4	1.2	100
57	15.01			15.01	100.0			100
59	16.72		.41	17.13	97.6		2.4	100
63	15.63			15.63	100.0			100
77	25.42			25.42	100.0			100
85	14.77			14.77	100.0			100
92	14.54	4.20	.30	19.04	76.4	22.1	1.5	100
93	18.31		.32	18.63	98.3		1.7	100
Salary Plus Commission								
02	13.78	4.50	.23	18.51	74.4	24.3	1.3	100
20	14.76	1.76	.23	16.75	88.2	10.5	1.3	100
21	20.33	4.71	.80	25.84	78.7	18.2	3.1	100
25	18.99	1.86	.81	21.66	87.7	8.6	3.7	100
54	17.91	2.10	.49	20.50	87.4	10.2	2.4	100
72	19.55	4.66	.25	24.46	79.9	19.1	1.0	100
Quota-Bonus								
48	14.25	5.24	.16	19.65	72.5	26.7	0.8	100
49	22.14	.51	.78	23.43	94.5	2.2	3.3	100
66	19.00	1.83	.15	20.98	90.6	8.7	0.7	100
79	13.70	1.98		15.68	87.4	12.6		100
98	18.33	1.45		19.78	92.6	7.4		100
99	20.54			20.54	100.0			100

different levels of earnings as are found in men's wear departments. It may be a pure accident in the stores we happened to include that commissions yielded $12.00 to $20.00 per week in salary plus commission stores and bonus only $1.00 to $6.00 in quota stores. The table represents merely the situation in the stores participating and is not inclusive enough to be a measure of the system of payment.

House furnishing departments add no new conclusions to those already stated for other departments. In salary departments, 96 per cent or more of the earnings are derived from salary; in salary plus commission 74 to 90 per cent, and in quota-bonus 86 per cent or over except in one store where the ratio is 72 per cent.

From commissions in house furnishings departments are derived 8 to 24 per cent of the earnings; from bonus less than 13 per cent except in one company.

In absolute amounts the earnings from basic salaries in house furnishings departments are about the same in all forms of payment and certainly as high in bonus and commission departments as in salary.

These general comparisons serve to show how much of the salary of sales clerks is dependent upon incentive payments. Other factors explaining these statements will be considered in the analysis of each department.

CHAPTER V

METHODS OF PAYMENT USED IN EACH DEPARTMENT IN 145 STORES

The general interest in methods of wage payment made it desirable to know the prevalence of different forms of payment in retail establishments. These data were obtained from a questionnaire sent to the members of the National Retail Dry Goods Association by the Store Managers' Division. The answers of 145 stores were received in time for tabulation. A classification by annual volume of net sales shows that the form of payment is related to the size of the store.

TABLE 5

CLASSIFICATION OF STORES BY METHOD OF PAYMENT AND VOLUME

Method of Payment	Annual Volume of Net Sales in Millions of Dollars								
	Under ¾	¾ and under 2	2 and under 3½	3½ and under 5	5 and under 7½	7½ and under 10	10 and under 15	15 and Over	Total
Straight salary	11	24	10	6	1	3	4	1	60
Salary plus commission	2	12	5	5	6	1	4	8	43
Quota-bonus	2	5	7	1	2	2	1	2	22
Straight commission		2			2			1	5
Special plan	1	5	1					2	9
Two or more plans		1	1	2				2	6
All stores	16	49	24	14	11	6	9	16	145

Stores of less than one million in annual volume use mainly the straight salary plan of payment. Even in somewhat larger stores the straight salary plan predominates. Fifty-four per cent of the stores of less than two millions paid straight salary. In fact, it can be said that though the

TABLE 6

METHOD OF PAYMENT BY ANNUAL VOLUME OF NET SALES AND GEOGRAPHICAL AREA

Area and Method of Payment	Annual Volume of Net Sales in Millions of Dollars								
	Under ¾	¾ and under 2	2 and under 3½	3½ and under 5	5 and under 7½	7½ and under 10	10 and under 15	15 and Over	Total
New England									
Straight salary		4	4		3	1	1	1	8
Salary plus commission			1						7
Quota-bonus			2						2
Special plans	1								1
Middle Atlantic									
Straight salary	1	6	3		1	1	1	1	14
Salary plus commission	1	6	3					4	14
Quota-bonus	1	1							2
Special plans		3						2	5
Two or more plans								1	1
East North Central									
Straight salary	3	3	1	1	1		3	3	11
Salary plus commission	1	2	1	1	1	1	2		11
Quota-bonus		3	2	1	1		1	1	9
Straight commission									1
Special plans		2							2
Two or more plans		1						1	2
West North Central									
Straight salary	1	3	1	1		1		1	7
Quota-bonus			1						2
Straight commission		1							1
South Atlantic									
Straight salary	2	2		1	2		1		5
Salary plus commission		1		2	1				6
Quota-bonus			2						3
Straight commission		1							1
South Central									
Straight Salary	2	3		2					7
Salary plus commission		1							1
Quota-bonus		1							1
Two or more plans			1						1
Mountain									
Straight salary	1				1				1
Straight commission				1					1
Two or more plans									1
Pacific									
Straight salary	1	3	1	1		1			7
Salary plus commission	1	2		2		1		1	4
Quota-bonus					1				3
Straight commission			1						1
Special plans				1					1
Two or more plans									1
TOTAL	16	49	24	14	11	6	9	16	145

salary method prevails in small stores and in specialty shops, it is found only occasionally in large stores, except in those carrying high-priced merchandise. The salary plus commission on all sales was used in only 22 per cent of the stores under two millions, in 33 per cent of those with a volume of

two to seven and one-half millions, and in 42 per cent of the large stores. The quota-bonus methods find the most adherents in middle-sized stores.

The geographical distribution makes necessary some qualifications in these statements. The salary plus commission on all sales is most used in medium-sized and large stores on the Atlantic seaboard; the quota-bonus in western Pennsylvania, Ohio and the middle west generally, except in Chicago, where the salary plus commission plan seems to be favored. This concentration shows that there is an element of imitation in the adoption of forms of payment.

This summary makes it clear that four prevailing methods of wage payment are found in the compensation of sales persons in retail stores. Many variants of these methods, still more special adjustments, and a few wholly individual plans are listed for the 145 stores reported.

The classifications give an appearance of uniformity quite out of keeping with the situation when rates of commission in departments and selling units are considered. In the salary plus commission stores, the rate of commission varies all the way from *one-half of one* per cent to *three* per cent. The rates paid in straight commission vary all the way from *three* to *eight* per cent. There is no end of combinations above and below quota among the users of the quota-bonus method. In fact, it is useless to consider forms of compensation except in terms of departments. Consequently the analysis is made by eight selling divisions and the departments within these classifications. Perhaps the most important test of wage payment methods is obtained by noting the adjustments which must be made in certain departments, an indication that the method generally prevailing throughout the store is unsuitable in special situations. We have, therefore, tabulated the data in such a way as to show the method generally used and the one applied in each department. Since some stores do not maintain all departments, it has been necessary to show the total number of departments reported for the 145 stores.

Piece Goods Division

In the piece goods division, most stores find the plan of payment used throughout the store adequate in all except the pattern department. The straight commission is used in a large proportion of piece goods departments in stores which ordinarily use the straight salary or quota-bonus method.

In the pattern department, the quota-bonus and straight commission methods break down and tend to be replaced by straight salary payment. This is the only particularly irregular department in the piece goods division. Frequently stores do not attempt to carry patterns. Only 122 of our 145 reporting stores include pattern departments and in six of these the unit was leased. Further evidence of the difference in character of the pattern department is shown by the fact that only one store paid its clerks in this unit a straight commission. The other three stores which generally use this system in the piece goods division pay only straight salaries in the pattern unit. In two stores the commission on all sales which is paid in addition to the guaranteed salaries was not applied to sales of patterns.

Three salary stores and three quota-bonus pay a straight commission in silks and velvets. The most uniform adherence to the general form of payment used in the store is found in the stores which pay a salary plus commission on all sales. Here about one-half the stores set a rate of one-half of one per cent and another half pay one per cent on all sales.[1]

Small Wares Division

The small wares division includes some departments, like notions, silverware, and books and magazines, difficult to administer. Yet there is little evidence of special plans of payment in any of these units. The form of payment used in the division parallels closely the plan of the store as a whole. The only noticeable variation is a trifle less use of

[1] The rates of commission are shown on Table 1 in the appendix.

TABLE 7

Plans of Compensation in the Piece Goods Division

Department	Methods Used in Departments						Relation of Method of Payment in the Department to that Prevailing in the Store																
							Straight Salary in Stores Paying					Salary Plus Commission in Stores Paying			Quota Bonus in Stores Paying		Straight Commission in Stores Paying				Special Plans in Stores Paying		
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More or Special Plans	Salary Plus Com.	Quota Bonus	Two or More Plans	Quota Bonus	Two or More Plans	Salary	St. Com.	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Special Plans
11—Silks and Velvets	130	55	36	17	12	10	53	1	0	0	1	34	1	1	15	2	3	4	3	2	1	0	9
12—Woolen Dress Goods	128	55	36	16	11	10	53	1	0	0	1	34	1	1	15	1	2	4	2	3	1	0	9
13—Cotton Wash Goods	129	59	36	17	8	9	56	2	0	0	1	33	1	2	16	1	1	4	1	2	0	0	9
14—Linens	129	59	35	17	8	10	56	2	0	0	1	32	1	2	16	1	1	4	1	2	0	1	9
15—Domestics, Muslins, Sheetings	127	58	36	17	6	10	56	1	0	0	1	33	1	2	16	1	0	3	1	2	0	1	9
16—Patterns*	122	69	31	7	1	8	56	2	5	3	3	28	0	3	7	0	0	1	0	0	0	0	8
17—Linings	124	59	33	16	7	9	55	2	0	1	1	31	1	1	15	1	1	2	1	3	0	0	9
18—Blankets and Comfortables	128	58	37	17	7	9	56	1	0	0	1	34	1	2	16	1	1	3	1	2	0	0	9

* 6 pattern departments leased.

TABLE 8

Plans of Compensation in the Small Wares Division

Department	Methods Used in Departments							Relation of Method of Payment in the Department to that Prevailing in the Store																	
								Straight Salary in Stores Paying					Salary Plus Commission in Stores Paying				Quota Bonus in Stores Paying		Straight Commission in Stores Paying				Special Plans in Stores Paying		
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	Two or More Plans	Quota Bonus	Two or More Plans	Salary	Quota Bonus	St. Com.	Two or More Plans	Salary Plus Com.	Two or More or Special Plans
21—Laces, Dress Trimmings, Embroideries	130	61	37	18	5	9	0	57	2	0	1	1	0	33	0	4	18	0	0	1	3	1	0	9
22—Ribbons	129	61	39	16	4	9	0	57	1	1	1	1	0	34	1	4	16	0	0	0	3	1	0	9
23—Notions	129	59	37	19	5	9	0	56	2	0	0	1	1	33	0	3	18	1	0	0	4	1	0	9
24—Toilet Articles, Drug Sundries	136	59	39	20	5	11	2	56	1	1	0	1	0	37	0	2	19	1	0	0	4	1	1	10
25-S—Silverware	121	59	34	17	4	7	0	56	2	0	0	1	0	31	0	3	16	1	0	0	4	0	0	7
25-J—Jewelry	139	62	43	21	4	9	0	58	3	0	0	1	0	39	0	4	20	1	0	0	4	0	0	9
26—Umbrellas, Parasols, Canes	134	64	40	16	4	8	2	58	4	1	0	1	0	35	0	5	16	0	0	0	4	0	0	8
27—Art Needlework, Art Goods	125	58	37	17	4	9	0	53	3	0	1	1	1	31	0	5	17	0	1	0	3	0	0	9
28-S—Stationery	129	59	39	16	4	9	2	56	2	0	0	1	1	33	0	5	16	0	0	0	4	0	0	9
28-B—Books and Magazines	105	53	27	11	2	8	4	50	1	1	1	0	1	25	0	1	11	0	0	0	2	0	0	8

quota-bonus and straight commission in book and magazine departments and a tendency in a few stores paying salary plus commission on all sales to lower the rate of commission a trifle in this division, especially on trimmings, notions, and toilet articles. There is practically no use of straight commission by any of the stores adhering to straight salary, salary plus commission or quota-bonus. Four per cent of the book departments are leased. On the whole, then, the small wares division shows little in the way of wage experiments.

Division of Women's Accessory Departments

The questionnaire on methods of wage payment gave information for 15 departments classed in the controllers' code as Women's and Children's Accessories. Three of these —millinery and women's and children's shoes—quite evidently present real problems of compensation to the stores. The fact that out of 130 stores carrying millinery, 13 have leased the department is in itself significant. There are 8 leased departments in the 129 stores carrying women's shoes and 6 of the 117 children's shoe departments are leased.

The millinery department, when managed by the store, tends to favor a salary plus commission form of payment, if one may judge from the fact that six stores which usually have some other method of payment pay salary plus a commission in their millinery department. Four stores not included in the special plan group of stores reported special plans in the millinery department. Furthermore, the rates paid above quota tend to be higher than in other units in the division. One pays salary plus 2 per cent; another salary plus 3 per cent; another salary plus 3 per cent on net sales over $100 per week; and a fourth pays 2 per cent over 7 per cent cost.

In the millinery department, then, there is a tendency to pay high rates of commission on net sales and in some cases to resort to a form of remuneration not in general use in the store. In this department the straight salary and

quota-bonus plans seem frequently to be given up in favor of straight commission and special plans.

Both in women's and children's shoe departments there is a veering toward straight commission methods of payment with rates of commission as high as 6 to 8 per cent. In 129 departments handling women's shoes, 21 pay a straight commission, although only four of these are classified as straight commission stores. This increase comes from four groups of stores as follows: 7 from straight salary stores, 4 from quota-bonus stores, and 3 each from salary plus commission and two or more plan stores. The children's shoe departments, handled by 117 stores, show a proportionate increase in the number of stores paying straight commission.

The hosiery departments reported in 144 stores follow the method in general use in the store. Forty-two per cent of these hosiery departments paid straight salary; 31 per cent salary plus a commission (usually one-half of one per cent or one per cent on net sales); 15 per cent quota-bonus, and 5 per cent straight commission.

Barring the millinery and shoe departments, the hosiery department may be considered as typical of others in the women's accessories division. There may be some significance in the fact that the stores using two or more plans tend to use salary plus a flat commission on net sales in women's accessory departments. Beyond this, the only evidence of modification of general forms of payment is in the millinery and shoe departments.

Women's Ready-to-Wear Departments

The importance of the women's ready-to-wear departments in store volume is shown by the attention which they receive in plans of compensation. Whereas more than half the reporting stores paid straight salary in piece goods and small wares, and 44 per cent in women's accessories divisions, only a trifle over one-fourth use straight salary in the sale of women's suits, coats and dresses. About one-third paid straight salary in popular-priced dresses and blouse and skirt

TABLE 9

Plans of Compensation in the Accessories Division

Department	Methods Used in Departments							Relation of Method of Payment in the Department to that Prevailing in the Store																								
								Straight Salary in Stores Paying					Salary Plus Commission in Stores Paying					Quota Bonus in Stores Paying			Straight Commission in Stores Paying					Special Plans in Stores Paying							
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	Two or More Plans	Special Plans	Salary	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	Two or More or Special Plans				
31—Neckwear and Scarfs	139	62	43	20	5	9	0	59	2	0	0	1	0	38	0	5	0	0	20	0	0	0	0	5	0	0	0	9				
32—Flowers (Artificial)	130	60	42	18	3	7	0	57	1	0	1	1	1	36	0	5	0	0	18	0	0	0	0	3	0	0	0	7				
33—Handkerchiefs	137	61	42	20	5	9	0	58	2	0	0	1	0	38	0	4	0	0	19	1	0	0	0	5	0	0	0	9				
34—Millinery	130	43	42	13	8	11	13	40	2	1	0	1	0	36	0	4	1	0	12	1	0	0	0	5	0	0	0	7				
35—Gloves	141	63	42	22	5	9	0	59	3	0	0	1	0	38	0	4	1	0	21	1	0	0	0	5	1	0	0	9				
36—Corsets, Brassieres	137	58	43	21	5	10	0	56	1	0	0	1	1	39	0	3	0	0	20	1	0	0	0	4	0	0	1	9				
37—Hosiery (Women's and Children's)	144	61	45	22	7	9	0	58	2	1	0	0	2	40	0	3	0	0	21	1	0	0	0	5	0	0	0	9				
38—Knit Underwear	136	59	44	18	6	9	0	56	2	0	0	1	2	40	0	2	0	0	17	1	0	0	1	4	2	0	0	9				
39—Silk and Muslin Underwear	140	58	45	19	9	9	0	56	2	0	0	1	2	41	0	2	0	0	18	1	0	0	0	5	2	0	0	9				
41—Petticoats and Slips	134	59	41	17	8	9	0	54	2	0	0	1	3	36	0	2	0	0	16	1	0	0	1	4	1	0	0	9				
42—Negligees and Robes	140	57	45	19	10	9	0	55	2	0	0	1	4	39	0	2	0	0	18	1	0	1	2	4	1	0	0	9				
43—Infants' Wear (Sizes 0–6)	136	58	41	19	8	10	0	55	2	0	0	1	1	37	0	3	0	0	18	1	0	1	2	5	2	0	0	9				
46—Small Leather Goods (Handbags)	138	60	42	21	5	10	0	57	2	0	0	1	0	38	0	4	0	0	20	1	0	0	2	4	1	0	1	9				
47—Women's Shoes	129	44	32	13	21	11	8	39	4	1	0	0	2	29	0	4	0	0	10	1	0	3	0	5	0	0	1	9				
48—Children's Shoes	117	41	28	13	19	10	6	38	3	0	0	0	1	26	1	0	0	2	9	2	5	3	4	4	3	0	1	9				

departments. The drift to salary plus commission on sales and straight commission in these departments shows the recognized opportunity for good salesmanship and an attempt to add an incentive for sales effort.

The stores operate these departments themselves. None were reported as leased, except two fur departments.

The method of payment in the selling units in the women's wear division cannot be determined if one knows only the method of payment generally prevailing in the store. The most significant modification is the tendency away from straight salary methods to salary plus a commission on all sales and to straight commission. This deviation is most pronounced in the group of salary stores where, from a total of 60 firms carrying women's coats, suits and dresses, only 37, or less than two-thirds, pay their sales clerks on a straight salary basis. As one follows down the table to blouse and skirt, sports wear, aprons and house dresses, and maids' and nurses' uniforms, a tendency to use straight salary increases. In the fur department, an appreciable number of stores pay salary plus a commission on net sales and straight commission in lieu of straight salary, the usual method in these particular stores.

In the salary plus commission and quota-bonus groups of stores there is a scattering tendency to pay straight commission. The group of stores having two or more plans of payment in operation throughout the store pay salary plus commission, straight commission and quota-bonus in the ready-to-wear departments. It is somewhat significant that these stores are experimenting with other forms than straight salary.

If one examines the special plans in the ready-to-wear departments, one finds that they are variations of the quota-bonus plan. For the most part, the special plan departments pay a salary with a bonus above quota varying from 2 to 4 per cent.

Because most of the modification of payment was in straight salary stores, and the movement in these cases was

toward salary plus commission on sales or straight commission, it is easy to exaggerate the trend to these methods. Actually a salary store rarely can change directly to as complicated a form of compensation as the quota-bonus method, which involves merchandise control and detailed records over an extended period. The fact that the special plans are variants of the quota-bonus and salary plus commission plans indicates that they have been evolved gradually. Though there are but 12 special plans, these seem to be well established.

In the salary plus commission group of stores, one specifies some interesting adjustments in its payment. The store pays salary and one-half of one per cent on coats below a given price level and one per cent on higher-priced coats. The same differentiation of commission rates is followed on dresses. Here is an attempt to reward not only on the basis of total sales but on the quality of the merchandise sold. Doubtless this is also aimed to push the sale of higher-priced lines and in this respect is tied up with merchandising policy as well as with compensation.

On the whole, there is evidence that the stores recognize different problems of remuneration in the various units of the ready-to-wear department. Women's dresses, suits, coats and furs are not operated solely on the general plans of payment usual in the store except in strictly salary plus commission and quota-bonus stores, and even in these the rate of commission is varied. The outstanding characteristic is the breaking away of salary stores from the salary method and by one plan or another compensating the sales clerk, at least in part, in relation to her sales. The more complicated plans tend to further special payments in ready-to-wear selling units.

Men's Wear Departments

The men's and boys' wear division contains only five departments. Of these, the men's clothing makes more use of straight commission than of any other one form of pay-

TABLE 10

Plans of Compensation in the Ready-to-Wear Division

Department	Methods Used in Departments						Relation of Method of Payment in the Department to that Prevailing in the Store																		
							Straight Salary in Stores Paying					Salary Plus Commission in Stores Paying				Quota Bonus in Stores Paying			Straight Commission in Stores Paying					Special Plans in Stores Paying		
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	Two or More or Special Plans	Salary	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	Special Plans
51—Women's Coats	142	38	48	23	19	14	37	1	0	0	0	8	39	0	1	2	18	3	9	1	2	5	2	4	1	9
52—Women's Suits	141	38	50	22	18	13	37	1	0	0	0	9	40	0	1	2	17	3	8	1	2	5	2	4	0	9
53—Women's Dresses	142	38	48	24	18	14	37	1	0	0	0	9	38	0	1	2	19	3	8	2	1	5	2	4	1	9
53-P—Popular-Price Dresses (Women's and Misses)	123	40	41	17	15	10	38	2	0	0	0	6	33	1	1	1	14	2	6	2	1	4	2	1	0	9
54—Blouses and Skirts	138	49	46	21	13	9	48	1	0	0	0	4	39	0	3	1	17	3	5	1	1	5	1	1	0	8
55-C—Misses' Coats and Suits (14–20)	137	42	48	19	15	13	41	1	0	0	0	8	39	0	1	1	15	3	6	1	2	4	2	3	1	9
55-D—Misses' Dresses (14–20)	138	42	48	21	15	12	41	1	0	0	0	8	38	0	2	1	17	3	6	2	1	4	2	3	1	8
55-J—Juniors' Wear (13–17)	136	48	47	21	11	9	47	1	0	0	0	5	40	0	2	1	17	3	4	0	2	4	1	0	0	9
56—Sports Wear	136	52	44	20	11	9	49	2	0	0	1	4	39	0	1	0	18	2	3	1	1	4	2	0	0	9
57-D—Aprons and House Dresses	135	58	42	19	7	9	54	2	1	0	1	3	36	0	3	0	17	2	1	1	1	4	0	0	0	9
57-U—Maids' and Nurses' Uniforms	132	57	41	19	6	9	53	2	1	0	1	2	36	0	3	0	17	2	1	1	1	3	0	0	0	9
59—Furs*	130	44	47	18	12	7	42	1	0	1	0	6	37	1	3	1	14	3	6	1	1	3	1	1	0	6

* Two departments leased.

TABLE 11

Plans of Compensation in the Men's and Boys' Wear Division

Departments	Methods Used in Departments							Relation of Method of Payment in the Department to that Prevailing in the Store																		
								Straight Salary in Stores Paying				Salary Plus Commission in Stores Paying			Quota Bonus in Stores Paying			Straight Commission in Stores Paying						Special Plans in Stores Paying		
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased	Salary	Salary Plus Com.	Quota Bonus	Special Plans	Salary	Salary Plus Com.	Two or More Plans	Salary	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Special Plans	Salary	Salary Plus Com.	Special Plans
61—Men's Clothing	106	30	18	10	36	11	1	28	0	1	1	1	17	0	1	8	1	12	11	3	4	5	1	2	3	6
62—Men's Furnishings	128	53	34	19	13	9	0	51	1	1	0	0	34	0	1	17	1	2	1	1	4	5	0	0	0	9
65—Men's Hats and Caps	101	40	29	11	11	9	1	37	1	1	1	1	27	1	0	10	1	2	1	1	4	3	0	0	1	8
66—Boys' Wear	117	43	34	15	16	8	1	42	0	0	1	2	31	1	0	14	1	4	2	2	4	4	0	0	1	7
67—Men's and Boys' Shoes	97	41	25	9	13	7	2	38	3	0	0	0	25	0	0	7	2	1	4	3	3	2	0	0	0	7

ment. Only 28 per cent of the 106 men's clothing departments reported, used straight salary; 17 per cent salary plus commission; 9 per cent quota-bonus, and 34 per cent straight commission.

Whether the prevalence of straight commission in men's clothing departments is caused by the type of merchandise, the employment of men, the relatively even distribution of business throughout the year, or the custom of having salesmen build up their own clientele is a matter of conjecture. At any rate, 12 salary stores, 11 salary plus commission, and 3 quota-bonus stores use straight commission in their men's clothing department. Even 5 of the stores using two or more plans also pay a straight commission in this selling unit.

The cases where salary, salary plus commission, or quota-bonus methods are in use are confined to stores following this method in the store generally. On the other hand, a number of stores which use these forms throughout the store adopt the straight commission in men's clothing.

The rates of commission vary from 3 per cent to 8 per cent; but the most common rate is 5 per cent, except in the stores which pay straight commission throughout. In these, few in number, 6 per cent is the prevailing rate in the men's and boys' division.

By contrast with men's clothing, the men's furnishings, hat, and boys' wear departments show little use of straight commission. In the sale of men's and boys' shoes there is also a higher proportion of firms operating with straight salary methods than was found in the sale of women's and children's shoes.

The exceptional department in the men's wear division is the men's clothing, paid, predominantly, on the basis of net sales.

House Furnishings Division

The 14 departments comprising the house furnishings division include a large variety of merchandise: furniture,

rugs, draperies, china and glass, kitchen equipment, gifts, and musical instruments.

A few of the units are leased. About 2 per cent of oriental rug departments, electrical appliances, pictures and framing, 3 per cent of those selling musical instruments and sheet music and talking machines, 4 per cent of the radio departments, and 8 per cent of the piano departments are leased.

Many of the units display a tendency to deviate from the type of payment usual in the store. In fact, nearly one-half the salary stores pay straight commission in furniture departments. One-third of the salary plus commission also use the straight commission plan in furniture. Men's clothing is perhaps the nearest approach to furniture selling in its use of straight commission. To show the conformity, the proportion of each method of payment in the two departments should be compared.

TABLE 12

FURNITURE AND MEN'S CLOTHING DEPARTMENTS CLASSIFIED BY METHOD OF PAYMENT

Department	Straight Salary	Salary Plus Commission	Quota Bonus	Straight Commission	Other Methods	Leased
Men's Clothing....	28.3	17.0	9.4	34.0	10.4	0.9
Furniture.....	26.4	19.1	10.9	35.4	7.3	0.9

In both departments the straight commission has the most adherents. The 26 per cent paying straight salary in furniture are almost exclusively salary stores.

Much the same tendency is found in radio departments. About one-third of the salary stores, one-fourth of the salary plus commission, and one-third of the quota-bonus stores pay straight commission in the selling of radios. Most of the outside sales are also paid on a commission basis.

Floor covering departments, both oriental and domestic, show almost as much use of straight commission as furniture and radios.

On the other hand, china and glassware, miscellaneous

home furnishings (kitchen and bath supplies primarily), gift shops, and pictures tend to follow the usual method prevailing in the store. However, in cases where a salary plus commission is adopted in these departments by salary stores, there is a tendency to pay a fairly high flat commission, one per cent or more.

A wholly different tendency crops up in stores operating throughout on a salary plus commission basis. The usual practice here is to set a rate of one per cent or more in furniture, oriental rugs, floor coverings, pianos and other musical instruments, but in other departments in the division to pay one-half of one per cent. This means that stores which modify some other plan to the extent of using salary plus commission for some reason not easily guessed, adopt a higher rate of commission than the store well versed in the use of the salary plus commission plans.

Since many stores operate some department in the house furnishings division on what is essentially a piece-work basis, the rates of commission are of major interest. The combinations, however, are so varied that we are forced to refer to Table 6 in the appendix, giving here only the general statement that the typical rate is 5 to 6 per cent, with an occasional department as high as 8 per cent. The straight commission stores are in all cases as high as 5 per cent, but there is some attempt to shade the rate in rug and furniture departments below what is usual in the regular straight commission stores.

From this analysis, it is clearly shown that other forms of remuneration have not superseded the straight commission in furniture, rugs, and radios; that in china and glassware, pictures, and gift shops the straight commission form is practically non-existent.

MISCELLANEOUS DEPARTMENTS

The eight departments listed as miscellaneous in no sense belong together. Some of them, such as the beauty shops, barber shops, and restaurants, are operated for the convenience of customers. These units are carried by fewer stores

than any other departments, except the basement departments. If the toy and luggage departments are omitted from this group, the remaining units are carried by less than two-thirds of the reporting stores.

Five of the miscellaneous departments, the toy, sporting goods, luggage, tire and automobile accessories, and grocery and meat departments, tend to follow the method of pay used in other parts of the store. In the fountain and bakery department, found in 83 stores, there is a marked tendency to pay straight salary. This is especially true in the salary plus commission group of stores, where 11 out of 26 stores operating the department pay straight salary. The same situation is found in the candy department, where 5 of the 25 salary plus commission stores pay straight salary.

Five stores lease both the restaurant and candy departments. The beauty shop is more frequently leased than any other. Out of 83 stores with beauty shops, 21 lease the department.

Where the store manages its own beauty shop, it often makes special provisions not used in other departments. The salary plus commission stores incline to pay straight salary, with 6 out of 26 in our sample. On the other hand, 5 out of 38 straight salary stores pay straight commission in the beauty shop.

All this seems quite haphazard. In truth, it is. The difficulty arises from the fact that there are two different occupations combined in the work for which the payment is made. The beauty shop employee both sells merchandise and performs services for which a charge is made. The dual character of the reward is indicated by two stores which specify that they pay salary plus 2 per cent on labor and salary plus 5 per cent on all merchandise sold. Another store pays a straight salary plus 60 per cent commission on sales in labor and merchandise which are over double the amount of the salary. This same store pays one-third on all permanent waves. Another store pays 50 per cent straight commission to the barbers and 15 per cent straight commission to all

TABLE 13

Plans of Compensation in the House Furnishings Division

Departments	Methods Used in Departments							Relation of Method of Payment in the Department to that Prevailing in the Store																					
								Straight Salary in Stores Paying				Salary Plus Commission in Stores Paying				Quota Bonus in Stores Paying			Straight Commission in Stores Paying					Special Plans in Stores Paying			
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased	Salary	Salary Plus Com.	Quota Bonus	Two or More or Special Plans	Salary	Salary Plus Com.	Quota Bonus	Two or More or Special Plans	Salary	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More or Special Plans	Salary	Salary Plus Com.	Special Plans			
71—Furniture	110	29	21	12	39	8	1	26	2	0	1	0	20	0	1	0	11	1	19	10	3	4	3	0	2	6			
72—Oriental Rugs	98	34	19	10	27	6	2	31	2	0	1	2	17	0	0	1	8	1	8	10	2	4	3	1	0	5			
73—Domestic Floor Coverings	121	39	23	15	34	9	1	37	1	0	1	2	20	0	1	2	12	1	11	13	3	4	3	1	0	8			
74—Draperies, Curtains, Upholstery	128	54	35	16	14	9	0	52	1	0	1	0	34	0	1	0	14	2	4	0	3	4	3	0	1	8			
75—Lamps and Shades	127	54	37	15	12	9	0	52	0	1	1	0	35	0	2	0	13	2	3	1	2	4	2	0	1	8			
76—China and Glassware	119	54	33	17	6	8	1	52	1	0	1	1	32	0	0	0	14	3	1	0	1	4	0	0	0	8			
77—Electrical Household Appliances	106	43	29	13	12	7	2	40	1	0	2	1	26	0	2	0	12	1	5	3	0	4	0	0	1	6			
78—Misc. Home Furnishings	115	54	34	14	4	8	1	52	1	0	1	1	31	0	2	0	13	1	0	0	1	3	0	0	0	8			
79—Gift Shop	120	55	40	13	6	6	0	52	1	1	1	1	34	0	5	0	13	0	1	0	1	4	0	0	0	6			
81—Pictures, Framing, Mirrors	98	45	32	10	3	6	2	43	1	0	1	0	30	0	2	0	9	1	0	0	0	2	1	0	0	6			
82—Pianos	51	17	17	3	5	5	4	17	0	0	0	0	16	0	1	0	3	0	4	1	0	0	0	1	0	4			
83—Musical Instruments & Sheet Music	58	23	20	4	5	4	2	22	1	0	0	0	19	0	1	0	4	0	2	1	0	1	1	0	0	4			
84—Radios	94	20	27	7	29	7	4	19	0	0	1	2	23	1	1	1	5	1	12	7	5	2	3	1	0	6			
85—Talking Machines and Records	75	20	27	7	13	6	2	20	0	0	0	2	22	1	2	0	6	1	6	3	1	2	1	0	0	6			

TABLE 14

Plans of Compensation in the Miscellaneous Division

Departments	Methods Used in Departments							Relation of Method of Payment in the Department to that Prevailing in the Store																					
								Straight Salary in Stores Paying					Salary Plus Commission in Stores Paying			Quota Bonus in Stores Paying		Straight Commission in Stores Paying					Special Plans in Stores Paying								
	Total	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More or Special Plans	Salary	Salary Plus Com.	Two or More Plans	Quota Bonus	Two or More Plans	Salary	Salary Plus Com.	Quota Bonus	St. Com.	Two or More Plans	Salary	Salary Plus Com.	St. Com.	Special Plans			
91—Toys	124	57	39	14	5	9	0	52	1	1	1	1	1	34	4	14	0	1	1	0	3	0	0	1	0	8			
92—Sporting Goods, Cameras	82	32	27	9	6	7	1	31	0	1	0	0	0	25	2	8	1	0	2	2	2	0	0	0	0	7			
93—Luggage	126	57	36	16	8	8	1	54	2	0	0	1	0	33	3	14	2	1	2	1	4	0	0	0	0	8			
94—Tires and Automobile Accessories	70	31	24	8	2	5	0	29	0	0	0	2	1	21	2	8	0	0	2	0	0	0	1	0	0	4			
95—Restaurant, Fountain, Bakery	83	55	13	5	0	5	5	41	11	2	0	1	0	13	0	5	0	0	0	0	0	0	0	0	0	5			
96—Candy	96	53	21	8	2	7	5	45	5	0	1	2	0	20	1	8	0	0	0	0	2	0	0	0	0	7			
98—Groceries and Meats	52	28	14	4	0	5	1	24	3	0	0	1	0	14	0	4	0	0	0	0	0	0	0	0	0	5			
99—Beauty Shop, Barber Shop	83	27	13	2	10	10	21	21	6	0	0	0	1	12	0	2	0	5	1	2	1	1	1	4	1	4			

others in the department. Again, one reports 25 per cent plus a ratio of the net profit.

Straight salary and straight commission are, then, the usual methods of pay in the shops in this division with service features. The most hopeful signs, however, are found in the stores which frankly recognize the dual character of the occupations and attempt to reward each on a different basis.

Basement Division

The basement departments are really miniatures of the divisions already discussed for the main store. Since we have not averaged the divisions, the distribution of plans of payment may be contrasted with that in the corresponding department in the main store. Piece goods is contrasted with yard goods department 11.

TABLE 15

Comparison of Plans of Compensation in Main Store and Basement Departments

	St. Salary	Salary Plus Com.	Quota Bonus	St. Com.	Other Methods	Leased
Main Store—Silks and Velvets	42.3	27.7	13.1	9.2	7.7	0.0
Basement—Piece Goods	40.5	30.4	13.9	8.9	6.3	0.0
Main Store—Laces, Dress Trimmings	46.9	28.5	13.8	3.9	6.9	0.0
Basement—Small Wares	45.0	31.2	11.2	6.3	6.3	0.0
Main Store—Silk and Muslin Underwear	41.5	32.1	13.6	6.4	6.4	0.0
Basement—Accessories	42.2	32.2	13.3	7.8	4.5	0.0
Main Store—Popular-Priced Dresses	32.5	33.4	13.8	12.2	8.1	
Basement—Ready-to-Wear	32.6	36.9	14.7	9.5	6.3	0.0
Main Store—Boys' Wear	36.8	29.1	12.8	13.7	6.8	0.8
Basement—Boys' Wear	36.0	31.4	14.0	14.0	4.6	0.0
Main Store—Miscellaneous Home Furnishings	46.9	29.6	12.2	3.5	6.9	0.9
Basement—Miscellaneous Home Furnishings	44.0	30.7	13.3	4.0	8.0	0.0

In the percentage distribution of the various forms of payment in basement stores, there is no new note and nothing

particularly significant which has not already been noted in the divisions of the main store with the exception of the women's and misses' dresses carried in the basement. These, as might be expected, pattern their payment upon the practice in popular-priced dresses instead of the regular suit and dress departments.

The difference between the basement and the main store is not in the form of payment but in the rate of payment. In the salary plus commission departments in the main store, there are normally more departments paying one-half of one per cent than pay one per cent, though there is a substantial number at both rates; in the basement there are more paying one per cent than a lower rate. Where a straight commission is paid in the basement departments, most stores pay as much as 5 per cent, though in the main store lower rates are frequently paid.

Throughout this discussion of payment in departments, specific rates have been noted in only a few cases. It is unnecessary to give departmental rates in salary plus commission payment because the rate is usually the same throughout any one store except in a few departments to which attention has been called. The quota-bonus stores have a chaos of rates. Rarely are the rates of one store at all like another. The only conformity at all is in various departments within the same store. In other words, there is more likelihood that rates will be similar within the various departments of the same store than that they will be identical between stores. Even within the store there is a multiplicity of combinations. The problem may be illustrated from the two stores in columns 4 and 5 in Table 16 on which we attempt to summarize the detailed rates shown on Table 10 in the appendix. Store D has 71 departments. It uses a quota method in 58 and other methods in 13 departments. There are four combinations of rates. The one most prevalent—4 per cent below quota and 2 per cent above—is used in 39 departments; another combination of 5 per cent below and 2½ per cent above quota is used in 11 departments; 6 per cent below and

TABLE 16

Summary of Rates Paid in Departments in Quota-Bonus Stores

	Store																			
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	V
No. of Depts. in Store	26	60	57	71	72	57	63	22	7	58	71	77	47	18	35	70	52	68	60	68
No. of Depts. paid on Q. B. Method	26	59	56	58	71	56	41	19	7	45	58	73	46	13	23	58	31	65	51	42
No. of Depts. Paid on Other Methods	0	1	1	13	1	1	22	3	0	13	13	4	1	5	12	12	21	3	9	26
No. of Q. B. Rates used	4	5	9	4	9	5	9	3	5	5	9	11	5	5	4	5	13	11	1	Men / Women
Rate / No. of Depts. at Rate	3–2 1	5–1 31	2½–1⅞ 1	4–2 39	2½–2½ 1	5–2½ 7	3–2 1	7–3½ 7	4–2 1	5–4 4	3–1 1	3½–2 1	4–2 9	4–1½ 3	–2 18	5–2½ 1	4–3 1	4–3 7	–3 51	6 / 11
Rate / No. of Depts. at Rate	4–2 7	6–1 10	4–3 6	5–2½ 11	3½–3½ 4	6–3 5	4–3 3	8–4 6	5½–2½ 1	6–5 26	3–2 3	3½–3 1	5–2½ 22	5–3 1	–3 1	–2½ 52	4–3½ 6	5–3 22		3–3½ 1 / 3–3 3
Rate / No. of Depts. at Rate	5–2 7	7–1 6	4¼–3⅜ 4	6–3 7	4–4 8	7–3½ 30	4½–3½ 3	10–5 6	5½–3 1	7–5 9	4–2 22	4–3 4	6–3 4	6–1½ 2	–4 3	10–2½ 1	4½–3 5	5–4 5		3½–3½ 1 / 3¼–3¼ 1
Rate / No. of Depts. at Rate	6–2 11	8–1 9	5–3¾ 13	7–3 1	4½–4½ 8	8–4 12	5–3½ 3		6–3 3	8–5 4	5–2 14	5–3 32	7–3½ 7	6⅔–2 5	–5 1	–5 3	4½–3½ 2	6–3 7		4–4 3 / 3½–4½ 1
Rate / No. of Depts. at Rate		10–1 3	6–4½ 14		5–5 25	9–4½ 2	5–4 18		6½–2½ 1	10–5 2	5–3 2	6–2 1	8–4 4	6⅔–3 2		–10 1	5–4 1	6–4 9		4½–4½ 1 / 4–3 1
Rate / No. of Depts. at Rate			6½–4⅞ 10		6–6 13		6–4 2				6–2 10	6–3 13					5½–3 1	7–4 8		5–4 1 / 4–4 5
Rate / No. of Depts. at Rate			7–5¼ 1		6½–6½ 2		6–5 8				7–2 2	7–3 8					5½–3½ 1	7–5 1		5–5 5 / 4–4½ 4
Rate / No. of Depts. at Rate			8–6 6		7–7 3		7–5 2				7–3 1	8–3 8					6–3 1	8–5 1		4–5 2
Rate / No. of Depts. at Rate			Seasonal 1		8–8 7		7–6 1				8–2 3	9–3 3					6–3½ 1	9–5 1		4½–4 1
Rate / No. of Depts. at Rate												10–3 1					6–4 1	10–2 1		4½–4½ 3
Rate / No. of Depts. at Rate												12–3 1					7–3½ 3	10–5 3		5–5 12
Rate / No. of Depts. at Rate																	7–4 2			6–5 3
Rate / No. of Depts. at Rate																	8–4 6			

Note.—Rates of Store T not given. Store U pays 2 per cent above quota.

3 above in 7 departments; and 7 below and 3 per cent above in one. Store E uses 9 different combinations of rates, but pays the same amount above and below quota. Its prevailing rate of 5-5 per cent applies to 25 departments.

Underneath these rates, of course, it is probable that selling units within the departments also have various combinations.

It is believed that this analysis of methods of wage payment in departments gives evidence of administrative difficulties in wage payment, an aspect of the problem with which this study cannot deal. Indirectly it throws some light upon the success of the various forms of payment in different departments. If a store normally depends upon the salary method, but in a few departments resorts to another form of payment, it may be inferred that for one reason or another the method which supplanted that in general use is considered to be more advantageous. The evidence is indirect, but deserves to be weighed along with opinions of difficulties and factual data.

CHAPTER VI

COMPENSATION AND SALES IN 29 HOSIERY DEPARTMENTS

Sufficient attention has been given to the basis of wage payment and the forms of payment to turn to a more intensive analysis of earnings in separate departments in a small group of stores.

The hosiery departments afford the best opportunity of any part of the study for comparisons between stores. So far as possible, the figures were confined to the sale of women's hosiery. Wherever children's hose was carried in the departments as reported to us, the sales clerks' records were excluded, if possible. While there may be a slight amount of transfer, one can feel that, in the main, similar merchandise is considered. It is true that some of the stores carry higher-priced hosiery than others, some sell a considerable proportion at different prices, and some carry mainly lower-priced hosiery; but in the main these departments are as nearly comparable as any it is possible to find in different establishments. The size of the unit sale varies only from an average of $1.36 to $4.62 in the 29 hosiery departments selected for intensive study.

In other respects there are variables to consider in making comparisons. The departments differ in size from one with annual net sales of about $50,000 to others with a volume of more than a million dollars. Geographically the stores are widely distributed, being located in 19 different states from Maine to California and south as far as Georgia and Alabama. The departments also differ in method of payment, since ten of the 29 hosiery departments in the intensive study pay a straight salary, eight pay a salary plus commission

on all sales,[1] and 11 pay a bonus above a quota. One may say, then, that the 29 hosiery departments are more nearly alike from the point of view of merchandise than they are in size, location, or methods of compensation, and these factors must be considered in the analysis.

Before attempting to appraise the influence of special factors, it is necessary to get a general picture of the findings in these departments. If only full-time hosiery employees are considered, the firms differ in the amount of average weekly earnings from $12.28 paid in one store to $27.80 in another. The individual net sales vary from $244 per week in the store with the lowest sales to $879 in the store with the highest. Nor are selling costs in these departments in any way stabilized. Some hosiery departments are operating at costs of less than 3½ per cent, some are above 5 per cent, and one department operates at a cost as high as 8.1 per cent.

To give a picture of the variations to be explained, average weekly earnings, net sales, and selling costs in each department are shown on Chart I. The 29 hosiery departments are ranked according to the average weekly earnings of full-time sales clerks in the 12-months period from September 1928 to August 1929 inclusive. For graphic purposes, this weekly earnings scale is placed at the bottom of the chart, graded for earnings intervals from left to right. Each department is represented on the chart by a bar. The length of the bar shows the average net sales per employee. By the place of a firm on the horizontal scale one can see the weekly earnings; by the length of the line vertically is shown the selling success of employees making the earnings. The next problem was to put on the chart some standard with which to relate the differences in earnings and net sales. For this measure we took the average or typical selling cost of 4.3 per cent found in the 29 departments. The oblique line shows

[1] In the salary plus commission on sales departments, one department has a special plan of payment which combines some of the features of the commission system with those of the quota plans.

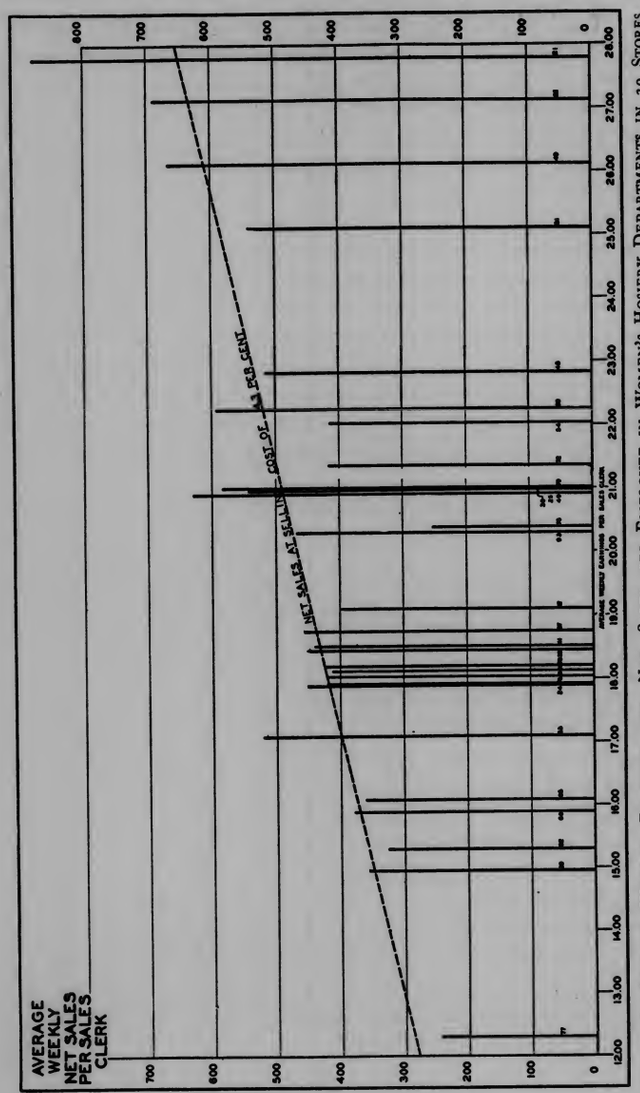

CHART I—AVERAGE WEEKLY EARNINGS AND NET SALES PER EMPLOYEE IN WOMEN'S HOSIERY DEPARTMENTS IN 29 STORES COMPARED WITH TYPICAL SELLING COST FOR THE GROUP

the net sales per sales clerk which it would be necessary to make for each level of earnings. For example, if a firm paid $15.00 a week, its sales clerks would have to average $350 in net sales each per week to maintain selling costs at 4.3 per cent; if it paid $18.00, each employee would have to sell $420; if it paid $22.00, the average would be $510 in net sales. That is to say, for every increase in earnings there must be an increase in selling efficiency or selling costs will be increased. In arriving at this line we have not used a theoretical standard. We have taken the average experience of 29 departments selling hosiery. The selling costs range from 3.2 to 8.1 per cent, but most stores have costs between 4.0 and 4.8. The average of 4.3 is, therefore, a moderately good and typical attainment. The sloping line on the chart shows the amount of net sales which must be made at different levels of earnings to keep costs within a 4.3 per cent limit.

On Chart I the stores with selling costs of less than 4.3 per cent are above the line; those below the line have higher selling costs, the highest being those furthest below the diagonal line. The chart is merely a device to show the experience of this group of firms and to emphasize the differences which need to be explained. For instance, there are

8 stores with average weekly earnings of $12.28 to $18.00,
11 stores with average weekly earnings of $18.00 to $21.00,
10 stores with average weekly earnings of $21.00 to $27.80.

The average net sales per employee in the 8 firms with weekly earnings of less than $18.00 was $383 per week; in the intermediate earnings group it was $435, and in firms paying $21.00 and over it was $587. In other words, the firms with the highest earnings tend to have the highest net sales per employee.

The length of the vertical bars on Chart I shows how much difference there is in selling attainment in the various hosiery departments. Doubtless many local factors condition the volume of sales which a sales clerk can make; but one

cannot overlook the fact that all departments in this study with selling costs of 3.9 per cent and less averaged $520 or more per sales clerk in weekly net sales. Since most of these low-cost firms are in the upper part of the wage scale, above $21.00 per week, it is safe to say that they are in a better competitive position than the high-cost departments.

If, as we believe, the departments in this group are representative, those with selling costs far above the 4.3 per cent line are operating at some disadvantage. It is, therefore, worth looking again at the position of some of the firms shown on Chart I.

The lowest firm in weekly earnings is paying an average of $12.28, but its clerks are selling only $244 in average weekly net sales, instead of the $285 which would have to be sold to maintain a cost of 4.3 per cent. In other words, with its present efficiency, which makes the selling cost 5.0 per cent, the department is operating at a disadvantage. Four other departments with earnings of less than $17 are either below or just up to the standard line at their present wage level.

Firm 63 shows an efficiency in sales greater than it is paying for in earnings. If this efficiency can be maintained, the department could afford to increase wages, especially as it ranks sixth lowest in earnings with selling cost of 3.3 per cent or next to the lowest selling cost in the whole group. Firm 24, though not far above the net sales line, has a fair margin to allow, at least for a poorer year.

There are no other firms with any considerable leeway in costs until we go beyond the group average to Firm 25 paying nearly $21.00 per week. Firms 79, 30, 99, 40, 23, and 21, paying $21.00 to $28.00 in average weekly earnings, all have net sales sufficiently above the standard line to maintain costs below 4.0 per cent.

In order to understand further the problem of departments which fall below the standard line on this chart, it is necessary to study some of the other items which help to

TABLE 17

SUMMARY OF SALES AND EARNINGS FOR FULL-TIME EMPLOYEES IN 22 HOSIERY DEPARTMENTS*

(Arranged by Size of Transaction)

Store Number	Size of Transaction	Cost of Transaction	Number of Transactions	Net Sales	Selling Cost	Earnings
Stores with a Sales Check of Less Than $2.00						
99	$1.36	$0.05	442	$594	3.7	$22.24
59	1.42	0.06	253	359	4.2	14.96
20	1.55	0.07	282	451	4.1	18.46
15	1.81	0.08	232	420	4.3	18.04
63	1.84	0.06	288	520	3.3	17.09
72	1.87	0.10	212	417	5.1	21.36
57	1.88	0.08	248	458	4.1	18.74
70	1.99	0.08	219	423	4.3	18.20
Stores with a Sales Check of $2.00 and under $2.50						
49	$2.11	$0.10	187	$435	4.8	$20.93
41	2.11	0.08	221	439	4.2	18.50
85	2.17	0.09	171	361	4.5	16.08
79	2.23	0.08	262	584	3.6	21.02
98	2.27	0.09	190	420	4.3	17.91
24	2.29	0.09	203	452	4.0	17.90
25	2.29	0.07	290	629	3.3	20.93
21	2.46	0.08	368	879	3.2	27.80
Stores with a Sales Check of $2.50 and Over						
76	$2.52	$0.20	103	$253	8.1	$20.38
66	3.12	0.13	124	379	4.2	15.89
40	3.15	0.12	222	667	3.9	26.12
30	3.67	0.14	151	542	3.9	20.99
71	3.70	0.15	120	412	4.4	18.13
23	4.62	0.16	165	689	3.9	27.13

* Firms missing from this table were unable to report the number of transactions per employee

explain the volume of net sales. For this purpose the departments are arranged on Table 17 in the order of the average size of transaction. The hosiery departments fall into three groups according to size of sales check as follows:

1—those with a unit sale of less than $2.00,
2—those with a unit sale of $2.00 and under $2.50,
3—those with a unit sale of $2.50 and over.

In the departments with an average sales check of less than $2.00, there is only one high-cost department with transactions reported. This firm is operating at a cost of ten cents per sale because its clerks average but 212 sales a week by comparison with a group average of about 250 sales per clerk per week at a cost of eight cents or less per sale in other departments. The small number of customers served accounts, then, for finding a cost of 5.1 per cent in this department. There is only one department with a unit sale of $2.00 and less than $2.50 in which the cost per sale is above nine cents.

An extremely high cost department in the group with unit sales of $2.50 deserves special attention as an illustration of the value of a study of the cost per transaction. Firm 76, paying $20.00 per week to its sales clerks, is well up in the scale of earnings, but is very far below the horizontal line in selling costs; in fact its costs are 8.1 per cent. In considering the situation of this company, if one were on the spot, the first thing to discover would be whether there is an opportunity to sell hosiery in its location. Is it surrounded by a group of other stores with hosiery departments? If it is and it is still forced to keep some hosiery in stock, it would seem necessary to organize this department in a way that the clerks could sell knit-wear or some other similar goods. Judging from our returns, there is a hint that some other factors may enter into the firm's problem. It has a transaction of $2.52, a relatively high-priced transaction. But its sales clerks average only 103 transactions per week whereas other hosiery departments average, with merchandise of this price, 120 to 222 transactions per employee. This points to either a merchandising problem or a sales promotion problem. Has the firm enough low-priced merchandise to get volume? Or is it carrying a fairly high-priced type of merchandise in which it is impossible, in its community, to make volume sales? Our figures show that it has the highest cost per transaction made by any store in the group, namely twenty cents per item. It is normal for stores to have a cost per

transaction of eight cents to nine cents; consequently the cost per transaction is at least double what it would be possible to maintain for a long period. Unless, then, the store has been handicapped by an unusual year, the whole problem of merchandising, advertising, and the use of the idle time of sales clerks in the department should be reviewed. In making these comments, it should be noted that this firm has a quite successful showing in its ready-to-wear department and that its cost in hosiery is proportionately very high; in other words, its selling efficiency is lower in the hosiery department than it is in the handling of other merchandise. The illustration is given to show that the figures give a firm an opportunity to compare with others, but must be supplemented by further study before the cause of low sales is certain.

The analysis indicates that hosiery sales of less than $2.00 normally have a selling cost of seven to nine cents. If the item is worth $3.00 or more, the cost per transaction may be as high as twelve to sixteen cents per item. These illustrations serve to show the way in which the data of Chart I can be explained in use. In the first place, Chart I shows what sales clerks are earning and gives the net sales corresponding to the earnings. It vividly stresses also the typical standard of attainment in a group of departments selling similar merchandise. Any firm, whether participating or not, can place its own figures on the chart for a comparison of its own ranking.

Having determined the position of any department, it is then necessary to explain high or low net sales in terms of the number of customers, and the cost of each sale. The figures will be useful only if firms will separate the work of their full-time and part-time and per diem clerks.

The firms could make use of this type of analysis in locating problems within a department. If the earnings of individual employees were placed on the bottom of the scale and the bars used to represent the employees' net sales, a diagonal line based on the average selling cost of the depart-

ment would then be useful in showing individual irregularities. For instance, one of the departments in our study has a few sales clerks paid over $40 per week in a department in which the majority are paid about $20. This is a problem which can only be solved by a policy which would place these clerks in some way in which their earnings of more than $40.00 per week can be worth more than it is possible to make them worth in this department. Objective study can only locate such a situation. The underlying factors will differ in each case. Only the method of finding the factors to correct is of general application.

The individual number of transactions gives a unit useful in explaining the corresponding net sales. Just as the net sales give the value of goods sold by the employee and are in this respect a measure of efficiency, so number of transactions gives the number of customers with whom the employee had effective contact. However, a transaction may include one or more items, may represent high-priced or low-priced goods and consequently must be explained both in terms of size and cost per transaction.[2]

The selling cost is related to the number of transactions. There is not a firm with selling costs of less than 3.9 per cent averaging less than 250 in weekly transactions per employee; with three exceptions, all firms with selling costs below the average of the group show more than 200 transactions per employee. The three exceptions can be easily explained. They are all firms with an average sales check of more than $3.00 and there is only one other firm in our group with an average of as much as $3.00 per sales check. We may then say that unless a hosiery department has high-priced merchandise, or double-headed sales, its costs will be above average unless its sales clerks can sell at least 200 customers per week. In fact, one-half the departments below 4.3 per cent are averaging 250 sales.

Obviously any firm making a small number of sales, unless

[2] Only 22 of our 29 departments were able to report transactions and many of these made the tabulation especially for the study.

the unit of sale is large, will have to be either in the low earnings group or the high cost group. Usually it is in both. The two firms with the highest cost are in the upper half of the earnings scale. They are paying above the average in earnings, but they are not selling a large number of customers per clerk, and their sales checks are of small or moderate size. Consequently it is costing them from ten to twenty cents to sell each item. If this is a typical year with these firms, obviously the number of employees in the departments must be reduced or the merchandising policy must be changed. Most departments with a sales check of less than $2.50 have a unit cost per sale of less than eight and one-half cents. Five firms are below seven and one-half cents. Unless the transaction is large, its usual cost seems to be seven and one-half to eight and one-half cents. The only firms which we should find above ten cents are those selling high-priced hosiery or two or more pairs per sale.

Table 18 shows the selling cost of each department related to number of transactions, size of sales check, and cost per transaction. (The store numbers have been used in the table.)

Methods of Payment in Hosiery Departments

Having given a general summary of these departments, let us look at the effect of other factors. In our analysis of methods of payment, we have found no form of compensation worked out especially for the problems of hosiery selling, if there are such. The method of payment prevailing in the store is normally the one in effect in the hosiery department. Of the 144 hosiery departments which reported their plan of payment:

42 per cent paid straight salary,
31 per cent paid salary plus a flat commission on all sales,
15 per cent paid a bonus on quota,
5 per cent paid a straight commission,
6 per cent had special plans or some adjustment which deserves special attention.

TABLE 18

RELATION OF SELLING COST TO TRANSACTIONS IN 29 HOSIERY DEPARTMENTS

Selling Cost Percentage	Number of Transactions								Size of Sales Check				Cost per Transaction			
	Under 150	150 and under 175	175 and under 200	200 and under 225	225 and under 250	250 and under 275	275 and Over	Under $1.50	$1.50 and under $2.00	$2.00 and under $2.50	$2.50 and under $3.00	$3.00 and Over	Under 7½¢	7½¢ and under 8½¢	8½¢ and under 9½¢	9½¢ and Over
Under 3.3							21		63	21			63,25	21		
3.3 and under 3.5						79	25,63			25						
3.5 " 3.7							99	99		79			99	79		
3.7 " 3.9																
3.9 " 4.1		23,30		40,24	57	59	20	59	20,57	24		23,30,40	20,59	41,57	24	23,30,40
4.1 " 4.3	66			41	15				15,70	41		66		15,70	98	66
4.3 " 4.5	71		98	70						98		71			85	71
4.5 " 4.7		85								85						
4.7 " 5.1			49	72					72	49						49
5.1 " 5.3											76					72
8.1	76															76

The special plans shown in this summary are also in use in the rest of the store, and are in no way peculiar to this department. The group selected for intensive study has a larger proportion of bonus plans than is generally found and fewer straight salary departments. Ten departments or only 34 per cent paid straight salary, 28 per cent salary plus commission, and 38 per cent a bonus above quota.

The first question in connection with these hosiery departments is the effect of the different methods of payment. Can it be said that one method is, in itself, more effective than others? This question can only be answered by considering selling cost, weekly earnings, and average weekly net sales per employee.

From a consideration of these items it is evident that the particular method of payment is not a determining factor outweighing other factors. Hosiery departments with low selling costs are found in each of the different methods of payment. The three firms with the highest weekly earnings to their hosiery sales clerks are each using a different method of payment. These three different firms have low selling costs, high average earnings and a high efficiency as shown by average weekly net sales per employee. There are indications, then, that each of the various methods of payment is being used successfully by a concern where the executives know how to make the method effective.

Disregarding these exceptional cases and looking at the experience of groups of plants, is there evidence that one method is more generally successful than another? Let us look at selling costs. Table 19 shows selling cost by method of payment.

The typical selling cost was 4.4 per cent in straight salary departments and 4.2 per cent in the other two methods. In other words, the difference in selling cost, considering the small number of firms in each group of payments and other influences, is not large enough to be significant.

It has already been shown that the earnings of sales clerks in hosiery departments vary widely from store to store. The

TABLE 19

DISTRIBUTION OF HOSIERY DEPARTMENTS BY SELLING COST AND METHOD OF PAYMENT

Selling Cost Per Cent	Straight Salary	Salary Plus Commission on All Sales	Quota-Bonus
3.2		21	
3.3	63	25	
3.4			
3.5			
3.6			79
3.7			99
3.8			
3.9	23	30	40
4.0	24		
4.1		20	57
4.2	59		66, 41
4.3	15	70	98
4.4	93, 71		48
4.5	85		
4.6			81
4.7	92		
4.8		12	49
4.9			
5.0	77		
5.1		72	
5.2			
5.3		54	
8.1			76

average weekly earning in the 29 departments is $19.10, but the range is from an average of $12.28 in the lowest-paid department to $27.80 in the highest. In one-sixth of the group, weekly earnings average less than $16.00; in about one-half the average is $18.00 to $22.00, and in four cases the earnings are above $25.00. Table 20 shows the ranking by method of payment.

The average earnings are about $18 in our group of straight salary stores and nearly $21 in the salary plus commission and quota-bonus stores. With one notable exception, all departments paying straight salary average less than $22 per week. Six salary departments average less than $18, whereas none of the salary plus commission departments are lower than $18. From these figures one might conclude that weekly earnings tend to be lowest under straight salary methods of payment. The difficulty of stressing this conclusion is that more small stores are found in the straight salary group than at other methods of payment. An analysis of the departments of similar size shows that no one could give an unqualified answer to the question of the effect of the plan of payment upon the level of earnings. The same statement may be made of the relation of the effect of payment to volume of net sales.

TABLE 20

DISTRIBUTION OF HOSIERY DEPARTMENTS BY AVERAGE WEEKLY EARNINGS AND METHOD OF PAYMENT

Earnings	Straight Salary	Salary Plus Commission on All Sales	Quota-Bonus
$12 and under $14	77		
14 " " 16	92, 59		66
16 " " 18	85, 63, 24		98
18 " " 20	15, 71	12, 70, 20	57, 41
20 " " 22	93	72, 30, 25	76, 49, 79
22 " " 24		54	99, 48
24 " " 26			81
26 " " 28	23	21	40
28 " " 30			
Median	$17.90	$20.96	$20.93

Let us, therefore, look at the effect of the size of the department, returning to this question of payment after considering the other data. From the point of view of annual volume, these hosiery departments may be classified into three groups. The basis of classification is the total annual net sales of all full-time, part-time and per diem employees reported. This gives:

Eight small departments with annual net sales of under $120,000,

Eleven medium-sized departments with annual net sales of $120,000 and less than $240,000,

Ten large departments with annual net sales of $240,000 and over.

The small departments average five sales clerks or less throughout the year, with extras in peak months; the medium-sized departments normally employ six to fifteen sales

clerks, and the large departments twelve employees and upward.

The small department operates at a disadvantage in selling cost as well as in volume. The median selling cost for the twelve months from September 1928 to September 1929 was 4.7 per cent in small departments, 4.3 in medium-sized, and 4.0 in large departments.

Inspection of Table 21 shows that the range in selling cost is more significant than the average. The selling cost in small departments varies from 4.1 to 8.1 per cent. In other words, there is not a store in the smallest group with a selling cost of less than 4.1 per cent.

TABLE 21

DISTRIBUTION OF HOSIERY DEPARTMENTS BY SELLING COST AND ANNUAL VOLUME

Selling Cost Percentage	Under $120,000	$120,000 and under $240,000	$240,000 and Over
3.2			21
3.3		63	25
3.4			
3.5			
3.6			79
3.7		99	
3.8			
3.9		30	40, 23
4.0		24	
4.1	57		20
4.2	59	66	41
4.3	15	70	98
4.4		93, 71	48
4.5		85	
4.6	81		
4.7	92		
4.8	12		49
4.9			
5.0	77		
5.1		72	
5.2			
5.3		54	
8.1	76		

The medium-sized departments, with one exception at 3.3 per cent, vary from 3.7 to 5.3 per cent. The large departments vary from 3.2 to 4.8; half this large group maintain

selling costs of 3.9 or less and only one store is as high as 4.8 per cent. We have, then, a definite tendency for average selling costs to vary with the volume of the departments and to be high in the departments employing only three to five sales persons. If we regard a selling cost of 4.5 per cent as high, most of the small departments would be found in the high cost group.

Not only is the total annual volume in small hosiery departments low, but the average net sales of regular employees vary directly with the volume of the department. The net sales per full-time employee averaged $375 per week in small, $425 in medium-sized, and $550 in large

TABLE 22

DISTRIBUTION OF HOSIERY DEPARTMENTS BY AVERAGE WEEKLY NET SALES AND ANNUAL VOLUME

Average Weekly Net Sales Per Employee	Annual Volume		
	Small	Medium	Large
$875 and under $900			21
850 " " 875			
825 " " 850			
800 " " 825			
775 " " 800			
750 " " 775			
725 " " 750			
700 " " 725			
675 " " 700			23
650 " " 675			40
625 " " 650			25
600 " " 625			
575 " " 600		99	79
550 " " 575			
525 " " 550	81	30	
500 " " 525		63	48
475 " " 500			
450 " " 475	57	93, 24	20
425 " " 450			49, 41
400 " " 425	15	71, 54, 72, 70	98
375 " " 400	12	66	
350 " " 375	59	85	
325 " " 350	92		
300 " " 325			
275 " " 300			
250 " " 275	76		
225 " " 250	77		
Median Net Sales	$375	$425	$550

departments. On the other hand, there is not much difference in weekly earnings in small and medium-sized departments. From the point of view of the employee, there is an advantage of $4.00 to $9.00 more per week in earnings in the large department.

From this analysis one must conclude that the small departments must pay about as much as the medium-sized departments; that they cannot as fully utilize the time of employees in selling, and consequently individual net sales tend to be low and selling costs high. It is not known whether the disadvantage of the small department is actually as much as the figures indicate. This would depend upon whether employees in small departments do more stock work than is done by sales clerks in larger selling units. If they do, then a maintenance item is here included in selling costs. The inquiries sent to departments, however, lead us to believe that extra stock work in the small department is not enough to offset the idle selling time and that the smallest departments normally operate at somewhat higher selling costs.

Variations Within Individual Departments

Up to this point the averages of all employees in each department have been compared. Over a period of a year there will be a considerable variation in the average weekly earnings of individual employees. Some clerks will be in the department only in a busy period when there is the maximum opportunity to sell. Others will stay only a short period, sometimes not long enough to learn to sell. These account for extreme items which our later study of length of service will explain. Even after explaining these items, there are still individual differences of a wide range. These differences are of importance in the management of any department, and the extent of their influence upon departmental coöperation is often not appreciated.

The differences in individual weekly earnings are as much as $25 in some of the hosiery departments. For instance,

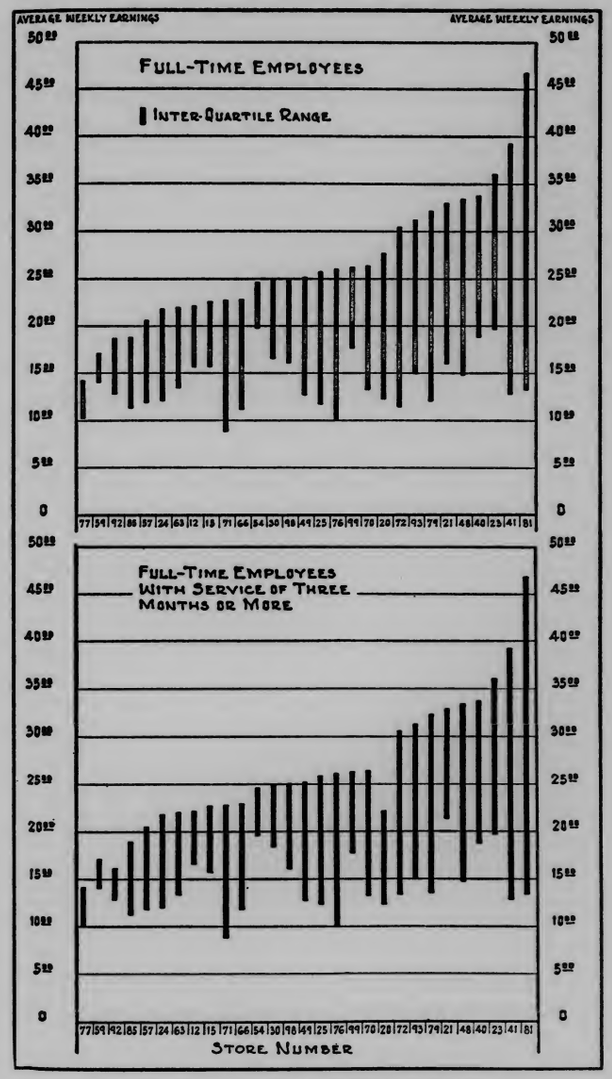

Chart II—Range of Average Weekly Earnings in 29 Hosiery Departments

individual earnings in Firm 21 vary from $16.02 to $32.90; in Firm 23 from $19.86 to $36.00.

To summarize these variations we show the lowest and highest earnings, and also the amount which marks off the lowest 25 per cent and the highest 25 per cent. For instance, in Firm 21, using a salary plus commission method of payment, 25 per cent of all full-time sales clerks earn $16.02 to $21.13, 50 per cent earn between $21.13 and $27.37, and the highest 25 per cent earn $27.37 to $32.90. In Firm 23, using the salary method of payment, the range is quite as great as in firms basing some of their payment directly on sales. One-fourth of the employees earned $19.86 to $22.56; one-half earned $22.56 to $29.50, and the upper fourth earned $29.50 to $36.00.

The variations in other departments may be ascertained from Table 23.

The distribution in earnings is more readily seen in the top section of Chart II which shows the range in weekly earnings within each department.

In ten of the departments there are no employees with earnings of less than $15.00; in eight others there are some employees under $12.00. One-fourth of the employees in the combined departments earn $10.00 to $23.00.

One is likely to assume that much of the variation within departments is due to short-service employees. Consequently the lower section of Chart II is drawn in the same form with earnings of all employees of less than three months' service omitted. There are only nine firms in which the spread in earnings within each department is changed by omitting the short-service records and only three—Firms 30, 20 and 21—in which the change is significant.

These figures present a considerable range in average weekly earnings, in the same occupation, to be explained.

Variations in Net Sales

The distribution in net sales made by individual employees is as wide as the range in earnings. It is not unusual to find

TABLE 23

Medians, Quartiles, and Range of Average Weekly Earnings in 29 Hosiery Departments

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
12.....	$19.10	$18.50	$16.50	$20.50	$15.57	$22.05
15.....	18.04	15.94	15.91	17.75	15.66	22.70
20.....	18.46	17.92	16.42	19.70	12.32	27.80
21.....	27.80	23.99	21.13	27.37	16.02	32.90
23.....	27.13	25.06	22.56	29.50	19.86	36.00
24.....	17.90	15.00	14.50	17.33	12.00	21.82
25.....	20.93	19.19	16.15	21.76	11.61	25.61
30.....	20.99	19.88	18.67	20.71	16.54	24.94
40.....	26.12	25.61	22.15	28.25	18.80	33.53
41.....	18.50	17.74	15.50	19.33	12.79	39.22
48.....	22.83	19.84	17.25	25.25	14.96	33.46
49.....	20.93	19.96	16.12	20.75	12.65	25.15
54.....	22.03	21.91	19.87	23.25	19.77	24.54
57.....	18.74	18.07	17.25	18.87	11.78	20.55
59.....	14.96	14.82	14.45	15.87	14.01	17.00
63.....	17.09	15.00	14.66	17.00	13.41	22.00
66.....	15.89	14.53	13.08	16.18	11.20	22.78
70.....	18.20	16.74	14.25	18.25	13.27	26.18
71.....	18.13	17.43	15.75	19.75	8.80	22.77
72.....	21.36	16.57	14.25	18.87	11.45	30.48
76.....	20.38	18.43	12.50	19.50	10.00	25.90
77.....	12.28	11.00	10.62	12.75	10.13	14.08
79.....	21.02	18.42	17.08	21.87	12.00	32.06
81.....	25.10	16.48	13.62	17.75	13.33	46.74
85.....	16.08	15.32	14.00	16.67	11.30	18.76
92.....	15.30	15.15	14.44	16.08	12.79	18.70
93.....	20.30	18.00	15.75	19.25	15.00	31.20
98.....	17.91	16.85	16.47	18.76	16.01	25.00
99.....	22.24	21.43	20.50	26.02	17.73	26.03

one employee averaging $800 to $1,000 per week more than another. Chart III shows the net sales with the firms arranged in the order of the maximum sales of any employee. This chart indicates the need of selection to keep as well balanced a sales group as possible.

These inequalities in individual net sales may be illustrated in Firm 21 where, among the full-time employees, 8.9 per cent sold less than $175 per week; in the same department 17.8 per cent sold $975 and over. The percentage of distribution in this firm is decreased by omitting the employees of less than three months' service. Then we find only one em-

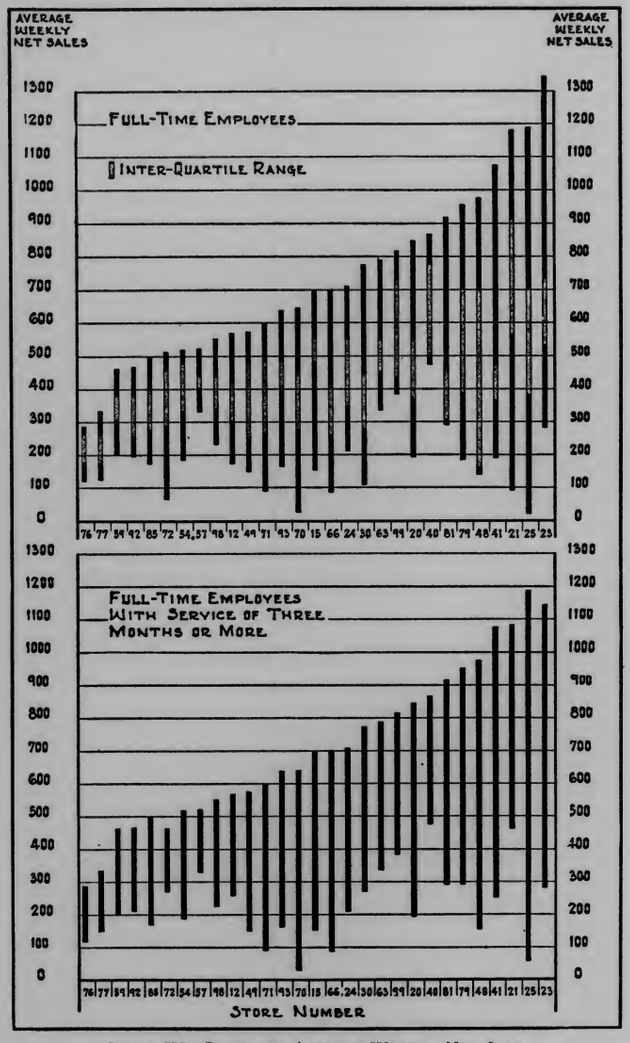

CHART III—RANGE OF AVERAGE WEEKLY NET SALES IN 29 HOSIERY DEPARTMENTS

ployee selling less than $550 per week. In most of the firms, however, the chart indicates that the inequalities in weekly net sales are not attributable to short-service employees.

TABLE 24

MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY NET SALES IN 29 HOSIERY DEPARTMENTS

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
12.....	$397	$327	$306	$425	$177	$ 569
15.....	420	513	478	559	156	695
20.....	451	423	363	554	197	845
21.....	879	755	563	913	95	1,180
23.....	689	642	533	733	281	1,340
24.....	452	466	350	550	211	708
25.....	629	503	381	703	20	1,187
30.....	542	344	275	450	108	772
40.....	667	625	504	779	477	866
41.....	439	416	363	475	191	1,073
48.....	515	401	163	706	143	971
49.....	435	452	252	484	151	573
54.....	414	402	331	478	187	519
57.....	458	437	403	440	335	520
59.....	359	333	303	384	201	461
63.....	520	490	450	550	337	789
66.....	379	324	260	417	88	700
70.....	423	318	279	456	29	644
71.....	412	398	260	490	94	599
72.....	417	409	288	459	67	513
76.....	253	220	179	263	120	285
77.....	244	226	178	259	125	335
79.....	584	544	389	705	189	952
81.....	545	385	291	459	291	915
85.....	361	358	275	400	174	499
92.....	326	323	259	378	197	466
93.....	467	438	405	485	168	637
98.....	420	392	336	439	234	554
99.....	594	594	431	731	385	813

VARIATIONS IN SELLING COSTS WITHIN DEPARTMENTS

Selling costs vary from 2 to 10 per cent for different individuals in the same department. It frequently happens that the highest costs are for employees with the lowest earnings. One cannot say that the variations are greater in straight salary than in salary plus commission departments. There is less reason for extreme variation in quota-bonus plans, but even there those who fail to make the quota are

often paid a guaranteed wage and new employees are often paid a straight salary. With these exceptions, quota-bonus departments show less disparity in selling costs within the departments than is found under the other two methods of payment.

TABLE 25

MEDIANS AND RANGE OF SELLING COSTS IN 29 HOSIERY DEPARTMENTS*
(Full-Time Employees)

Store Number	Minimum	Median	Arithmetic Average	Maximum
77	3.7	4.9	5.0	8.8
59	3.1	4.2	4.2	8.5
92	3.1	4.4	4.7	9.5
66	2.7	4.2	4.2	18.4
85	3.2	4.3	4.5	8.0
63	1.8	3.2	3.3	4.2
24	2.2	3.6	4.0	6.7
98	3.5	4.3	4.3	7.6
15	2.5	3.3	4.3	10.0
71	3.7	4.2	4.4	9.3
70	3.7	5.1	4.3	52.3
20	2.1	4.3	4.1	8.7
41	3.0	4.2	4.2	7.9
57	3.5	4.0	4.1	4.3
12	3.9	5.3	4.8	8.8
93	3.0	4.0	4.4	8.9
76	6.6	7.8	8.1	10.3
49	3.9	4.5	4.8	10.2
25	2.0	3.8	3.3	74.0
79	2.2	3.5	3.6	6.3
30	3.2	5.8	3.9	15.3
72	3.1	4.5	5.1	17.2
54	4.7	5.0	5.3	10.6
99	3.1	3.9	3.7	5.0
48	3.4	6.3	4.4	11.0
81	3.8	4.5	4.6	5.1
40	3.5	4.1	3.9	4.7
23	1.7	4.1	3.9	7.8
21	2.6	3.2	3.2	18.4

* Arranged in order of average weekly earnings.

In the participating stores there are a few departments with a marked uniformity in selling costs within the department. For instance, the lowest cost reported for any full-time employee in Firm 63 was 1.8 per cent, the highest 4.2 per cent. Firm 79 varied from 2.2 as its lowest cost to 6.3 as a maximum. On the other hand, while the lowest-cost

employee in most departments was below 3.6 per cent, the highest cost employee was often above 8 per cent and even as high as 12 per cent or more in special cases. Sometimes the costs of all employees tend to be high. For example, the lowest cost employee in Firm 54 averaged 4.7 per cent and the highest cost employee was 10.6. In Firm 76 the lowest cost for any employee was 6.6 per cent and the highest 10.3.

These illustrations serve to show that even in the same department there are greater variations in the individual costs than are found in the range of average costs from store to store. All this indicates the need of comparison of employees of more equal ability than is represented by the average of all sales persons in a department.

Without giving attention to the whole range of variation within departments, a summary can be made by classifying

TABLE 26

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES IN HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $120,000

	Straight Salary				Salary Plus Commission on All Sales	Quota-Bonus		
	Store No. 77	Store No. 92	Store No. 15	Store No. 59	Store No. 12	Store No. 76	Store No. 57	Store No. 81
All Full-Time Employees								
Average weekly earnings per employee	$12.28	15.30	18.04	14.96	19.10	20.38	18.74	25.10*
Average weekly net sales per employee	$244	326	420[a]	359	397	253	458	545
Av. wkly. no. transactions per employee			232	253		103	248	
Selling cost per cent	5.0	4.7	4.3[a]	4.2	4.8	8.1	4.1	4.6
Average sales check	$		1.81	1.42[b]		2.52	1.88	
Average selling cost per sales check	$		0.08	0.06		0.20	0.08	
Percentage of returns	2.3	0.8				2.7	1.9	1.1
12-Months Employees								
Average weekly earnings per employee	$14.97[c]	15.72	19.31	14.80	20.78	22.81		27.19
Average weekly net sales per employee	$335[c]	227	529[a]	368	497	268		591
Av. wkly. no. transactions per employee			288	239		104		
Selling cost per cent	4.5[c]	6.9	3.7[a]	4.0	4.2	8.5		4.6
Average sales check	$		1.84	1.54[b]		2.06		
Average selling cost per sales check	$		0.07	0.06		0.22		
Percentage of returns	2.5[c]	0.7				2.9		1.1

* One high employee raises average. [a] Based on gross sales. [b] Based on net sales. [c] August missing.

the employees in each department into three earnings groups and considering the records of the lower third in earnings, the middle third, and the upper third. Since the firms differ in size, a factor which will determine the extent of possibility for variation, we shall consider this grouping also from the point of view of the annual volume, or size of the department. In hosiery the division by earnings can be made only in the case of the middle-sized and large departments. For the eight smallest departments the table contrasts the records of employees in the department 12 months with all full-time employees. On the whole, the differences in these two groups are quite unimportant.

Variations within the Departments in Earnings and Sales in Hosiery Departments with Annual Net Sales of $120,000 and Under $240,000

The eleven medium-sized departments vary in average earnings of full-time employees from $15.89 to $22.24. The median is $18.20 (Table 27).

The lower third averaged $13.24 to $20.07. In half of the departments the earnings of the lowest paid group were $14.00 or $15.00, yet in only three of the departments were selling costs of the lower third in earnings below the average cost of the department. In all cases the lower third in earnings had the lower net sales and usually fewer transactions than were averaged by all employees.

The middle earnings group average two to four dollars per week more than the lower-paid employees in the same departments. Their record of selling costs is somewhat contradictory since in five departments their selling costs were below the average of the department and in five others they were considerably higher. (Table 17 in the appendix.)

The highest-paid employees received from two to eight dollars per week more than the middle third, but their selling costs were below the average of the department in all but four cases. In other words, the highest-paid employees were the most advantageous to the store in all but four depart-

TABLE 27

Compensation and Sales of Full-Time Employees in Hosiery Departments with Annual Net Sales of $120,000 and Less Than $240,000

	Straight Salary					Salary Plus Commission on All Sales				Quota-Bonus	
	Store No. 85	Store No. 63	Store No. 93	Store No. 24	Store No. 71	Store No. 54	Store No. 72	Store No. 70	Store No. 30	Store No. 99	Store No. 66
All Full-Time Employees											
Average weekly earnings per employee	$16.08	17.09	20.30	17.90	18.13	22.03	21.36	18.20	20.99	22.24	15.89
Average weekly net sales per employee	$361	520	467	452	412	414	417	423	542	594	379
Average weekly number transactions per employee	171	288		203	120		212[a]	219	151	442[b]	124
Selling cost per cent	4.5	3.3	4.4	4.0	4.4	5.3	5.1	4.3	3.9	3.7	4.2
Average sales check	$2.17	1.84		2.29	3.70		1.87[a]	1.99	3.67	1.36[b]	3.12
Average selling cost per sales check	$0.09	0.06		0.09	0.15		0.10[a]	0.08	0.14	0.05[b]	0.13
Percentage of returns	2.9	2.0		2.6	6.9	2.4	1.9	2.6	2.0		2.4
12-Months Employees											
Average weekly earnings per employee	$17.44	21.14	22.95	19.27	19.17	22.86	23.49	19.44	22.73	21.51	16.63
Average weekly net sales per employee	$369	629	495	500	465	442	413	497	680	592	411
Average weekly number transactions per employee	164	349	4.6	207	124		216[a]	252	181	450[b]	125
Selling cost per cent	4.7	3.4		3.9	4.1	5.2	5.7	3.9	3.3	3.6	4.1
Average sales check	$2.33	1.84		2.48	4.02		1.83[a]	2.02	3.84	1.32[b]	3.36
Average selling cost per sales check	$0.11	0.06		0.09	0.15		0.11[a]	0.08	0.13	0.05[b]	0.13
Percentage of returns	3.4	2.0		2.5	7.1	2.3	2.0	2.4	1.9		2.6

[a] January through August. [b] November through August.

ments. The upper third gained their net sales which offset their higher earnings by the fact that in all cases they averaged a larger sales check.

The bar chart (IV) shows that there are too many special problems at individual stores to warrant positive generalizations for the whole group. Firm 99 has an expensive middle

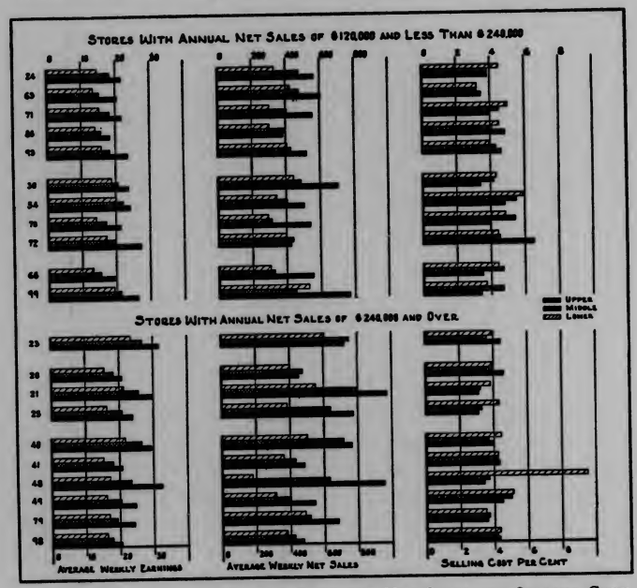

Chart IV—Average Weekly Earnings, Net Sales and Selling Costs in 21 Hosiery Departments—Full-Time Employees Grouped by Earnings Thirds

wage group making less sales than its lower-paid employees. Firm 72 has a high cost upper wage group; Firm 63 has its three wage groups almost perfectly balanced as to net sales, despite the fact that it is paying a straight salary in this department.

Why are Firms 30 and 99 able to develop as much efficiency as is shown by the net sales of their highest-paid em-

ployees along with the poor performance shown by their middle wage group? The chart shows cases where a few employees are practically making up for the ineffective selling of the rest of the department.

Variations within Departments in Earnings and Sales in Hosiery Departments with Annual Net Sales of $240,000 and Over

In the ten hosiery departments with annual net sales of $240,000 and over, earnings of all full-time employees varied from $17.91 to $27.80 (Table 28).

The lower third in earnings varied from $15.23 to $23.32. In half the stores, the selling costs of this group were as low or lower than the average of the department.

By contrast with the lower-paid employees, the middle wage group makes an unusual showing with only two departments in which their costs are higher than the total of all employees. Though earnings are one to six dollars higher, selling costs are measurably lower, and net sales and transactions generally higher than are maintained by the lower-paid employees. (Table 18 in the appendix.)

In the upper earnings group, there is not a comparable showing considering the fact that earnings are two to nine dollars per week above the middle group. There is some indication that basic salaries are somewhat out of line in the fact that in one-half the large hosiery departments the highest-paid employees are not selling enough to keep their costs as low as those of the middle wage group. It should be noted that the highest-paid employees, except in two departments, have larger weekly net sales than the middle group and also average a larger sales check, but their higher earnings, in more than half the cases, contribute enough to raise their selling cost above the middle wage rank. There are exceptions: Firms 21, 25, 48, and 49 have unusually low costs for their upper wage groups.

There are then, two tendencies in these departments. The first is to find an inefficient lower wage group with an un-

TABLE 28

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES IN HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF $240,000 AND OVER

	Straight Salary	Salary Plus Commission on All Sales			Quota-Bonus						
	Store No. 23	Store No. 20	Store No. 25	Store No. 21	Store No. 49	Store No. 48	Store No. 98	Store No. 41	Store No. 40	Store No. 79
All Full-Time Employees										
Average weekly earnings per employee	$27.13	18.46	20.93	27.80	20.93	22.83	17.91	18.50	26.12	21.02
Average weekly net sales per employee	$689	451	629	879	435	515	420	439	667	584
Average weekly number transactions per employee	165	282[a]	290	368[b]	187[d]		190[a]	221	222	262
Selling cost per cent	3.9	4.1	3.3	3.2	4.8	4.4	4.3	4.2	3.9	3.6
Average sales check	$4.62	1.55[a]	2.29	2.46[b]	2.11[d]		2.27[a]	2.11	3.15	2.3
Average selling cost per sales check	$0.16	0.07[a]	0.07	0.08[b]	0.10[d]		0.09[a]	0.08	0.12	0.08
Percentage of returns	9.6	1.0	5.4		2.2	1.7	2.6[a]	5.8	4.8	4.4
12-Months Employees										
Average weekly earnings per employee	$27.33	19.18	22.54	29.86	22.17	24.92	17.90	19.24	27.02	22.62
Average weekly net sales per employee	$679	462	693	962	459	624	423	456	708	612
Average weekly number transactions per employee	162	314[a]	323	396[b]	200[d]		194[a]	228	222	237
Selling cost per cent	4.0	4.2	3.3	3.1	4.8	4.0	4.2	4.2	3.8	3.7
Average sales check	$4.64	1.45[a]	2.27	2.55[b]	2.24[d]		2.26[a]	2.12	3.35	2.58
Average selling cost per sales check	$0.17	0.06[a]	0.07	0.08[b]	0.11[d]		0.09[a]	0.08	0.12	0.10
Percentage of returns	9.6	1.0	5.3		2.2	1.6	2.7[a]	5.7	4.6	5.1

[a] Ten months average. [b] Six months average. [c] Ten months average. [d] Three months average.

usually high cost; the second is for the basic salaries of the higher-paid employees to be scaled out of line with sales.

VARIATIONS WITHIN EACH DEPARTMENT BY SELLING GROUPS

If, instead of subdividing on the basis of earnings, three groups are formed on the basis of net sales, we have some test of the relative cost of employees in each department on the basis of net sales. For convenience these may be called *efficiency groups* or *net sales groups.*

Such a division is made in middle-sized hosiery departments. This tabulation shows that:

1. There is not as much difference in the earnings of the lower and middle groups as there is in their output;

2. Except in Firms 63 and 93 where the earnings of the three groups are adjusted to the output, the lowest thirds in net sales have the highest selling cost.

The findings in large departments are much the same as in the middle-sized. The lower third in sales serve fewer customers, have a smaller sales check, and a higher selling cost than the other groups. It is worth noting, also, that the employees making the most sales are in few instances those with the highest returns. (Tables 19 and 20 in the appendix.)

So far the analysis has been based on figures for the period of a year. Already we have shown

(1) The variations between hosiery departments in different stores;

(2) Variations in earnings and efficiency of individual employees in the same department.

In comparing different stores, it is not easy to say whether low net sales are due to the employer or the sales persons. Weekly net sales in a department may be high because the workers in one situation are rendering better service than in another; because the employer is exercising better stock and merchandise control; because the number of sales persons in one department is better adjusted to the potential number of customers or because the employer paying high wages has a

choice and is able to select more competent sales persons. In other words, both the planning of the employer and the competence of the sales persons will influence sales. A study of compensation shows the results. It gives each store an opportunity to compare its work with what others are doing.

The variations within departments present a different problem. Even the best departments have employees unsuited to others in the same selling unit. The division into efficiency thirds in this study shows the starting point for improvement. The firms have a standard in their own department. If the lower third in sales can be brought up to the standard of the other sales clerks, selling costs could be materially reduced.

CHAPTER VII

SEASONAL FACTORS IN COMPENSATION IN HOSIERY DEPARTMENTS

The previous chapter examines the differences in average weekly earnings and sales attainment of full-time hosiery sales clerks in 29 stores. The differences in the earnings of individuals in the same store were also considered. Averages for the lowest third in earnings were compared with those for the middle and highest third. The same type of analysis was made from the point of view of sales. Without any regard to earnings, a classification was made of the sales persons who were lowest and highest in sales.

These two methods of analysis show that stores have within their own organizations a standard for improvement without the additional comparisons which this study makes of the experiences of other stores. If the attainment of the lowest group of sales clerks could be raised to the level of the middle and upper groups, both earnings and selling costs would be better.

Up to this point, compensation has been considered for a period of a year. Over an extended period it has been shown that the method of payment is not as significant a factor as the size of the store in its influence upon costs. The ten straight salary departments, which include four small departments, have a median selling cost of 4.4 per cent. The eight departments paying a salary plus commission on all sales and the eleven quota-bonus departments have about the same average selling costs—4.2 per cent. Considering other factors, the difference in selling cost is not enough to be wholly significant. Such differences as can be related to method of payment are reserved for later treatment in this report.

It is now necessary to consider the change in the volume

of business to be done at different times. If we disregard the peaks at different hours of the same day, and the rush of certain favored shopping days within the week, there is still a marked monthly variation to deal with.

For ease in comparing the fluctuations in net sales from month to month, the records of twenty-five hosiery departments which were reported for all twelve months of the study have been converted to a percentage basis so as to show the proportion of the total volume of the year which was sold in each month. If total monthly net sales were uniform, 8.3 per cent of the year's business would be done in each month; the variations away from this percentage represent roughly the seasonal influences.

Changes in volume are not equal in all the stores, but there is a tendency for all to follow the same up and down swings, with a high peak in December. Table 21 in the appendix gives the proportion of the total business of the year done in each month.

The changes in business are somewhat easier to follow by grouping the firms so as to show, monthly, the number of firms at each percentage (Table 29).

The frequency table showing the distribution of departments according to the percentage of the total net sales made in each month should be examined from two points of view: first, the changes from month to month in the percentage of net sales; second, the range and character of the distribution in each month.

The median has been selected to indicate the typical situation because the average is misleading and a mode is not always evident. It should be noted on the table that 13 of the 29 firms made 6 to 7 per cent of their net sales in January and 12 firms from 7 to 8 per cent of theirs in April.

Of the twelve months in this study, October, November, March, May, and June are normal months—that is to say, in these months the proportion of the year's sales varies only slightly from 8.3 per cent. In December, sales far exceed normal. Only one store reported that less than 10 per cent

TABLE 29

DISTRIBUTION OF PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 25 HOSIERY DEPARTMENTS

Percentage of Annual Business	Number of Firms											
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
21 and under 22				1								
20 " " 21				1								
19 " " 20				1								
18 " " 19				4								
17 " " 18				2								
16 " " 17				3								
15 " " 16	1			3								
14 " " 15				3								
13 " " 14		1		2					1			1
12 " " 13		2	1	3						1		
11 " " 12	1	1	2	1					1			
10 " " 11		3	3				3	2	1			
9 " " 10	2	3	6	1		1	2		5	7		
8 " " 9	3	9	4		2	3	9	7	7	9	1	2
7 " " 8	5	2	9		3	5	9	12	9	4	4	7
6 " " 7	7	3			13	7	2	4	1	1	10	4
5 " " 6	5				4	7				3	9	6
4 " " 5	1	1			3	2					1	3
3 " " 4												2
Median	6.9	8.8	8.7	15.4	6.6	6.4	8.2	7.6	8.0	8.5	6.1	6.3

of its total net sales were made in this month. The median was as high as 15 to 16 per cent. This holiday peak is followed by two dull months. In midsummer, July and August tend to be almost as low in volume of net sales as were January and February, with the managerial difference that they are not accentuated by an abnormally high preceding month. September and April may be considered as somewhat midway between the low points of the year and the normal months.

A study of this monthly fluctuation will convince any one that seasonality is inherent in the problem of merchandising hosiery. All stores have more or less the same problem; all stores do from one-fifth to one-seventh of the business of the year in the month of December, which is followed by two or three slack months according to the time when Easter trade appears. Midsummer is only slightly, if any, better than January in volume, though it is not as expensive in increased selling cost.

Monthly fluctuations in the selling cost follow these changes in the volume of business inversely. December with

its peak in sales shows the lowest selling cost; January and July and August, the highest. The monthly percentages of selling cost shown on Table 30 are best considered under the discussion of the various firms.

TABLE 30

MONTHLY PERCENTAGES OF SELLING COST IN 29 HOSIERY DEPARTMENTS
(All Employees)

Number of Store	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average for the Year
Straight Salary													
15	4.6	5.2		2.4	7.2	6.3	4.7	3.9	3.5	3.4	4.2	5.4	4.1
23	4.8	4.0	4.2	2.4	4.6	4.0	3.7	3.7	3.5	3.4	5.5	6.7	3.9
24	3.2	4.9	4.4	2.9	5.9	5.2	4.0	3.8	4.0	3.5	4.1	4.7	4.0
59	4.4	4.5	3.6	3.1	6.0	5.3	3.8	4.3	3.9	3.8	4.8	4.4	4.2
63	3.5	2.4	3.7	2.6	3.3	4.7	4.9	3.1	3.3	3.0	3.3	3.0	3.3
71	5.1	4.4	5.1	2.5	5.9	5.3	4.0	5.3	4.4	3.7	5.1	5.2	4.4
77	4.6	4.1	4.5	2.5	6.8	7.0	5.8	6.4	5.3	5.0	5.5		4.9
85	3.9	4.2	3.7	3.2	5.2	5.3	4.3	5.1	4.8	4.4	5.8	5.7	4.5
92	4.5	5.3	5.9	3.1	7.2	6.8	6.1	5.5	3.8	4.0	3.8	4.2	4.7
93	4.5	4.2	4.8	3.5	6.0	4.8	4.7	4.1	4.0	4.4	4.7	3.8	4.4
Salary Plus Commission on All Sales													
12	5.0	4.4	4.3	2.9	6.3	6.3	4.9	5.2	5.3	3.9	6.3	7.5	4.8
20	3.3	4.2	3.9	2.9	6.2	5.5	3.7	4.8	3.8	3.6		6.4	4.1
21	3.1	3.1	3.1	2.7	3.6	3.4	3.1	3.0	2.9	2.9	3.5	3.3	3.1
25	4.9	3.9	4.0	2.4	5.0	3.5	3.2	3.7	2.9	2.6	3.9	3.7	3.3
30	4.2	3.4	6.0	3.9	3.8	3.0	3.4	3.4	3.0	3.0	4.7	5.4	3.9
54	7.0	5.7	5.0	4.7	6.6	6.0	4.8	5.7	5.0	3.9	5.4	5.2	5.3
70	4.3	3.3	4.2	3.1	6.2	5.3	4.3	4.6	4.4	4.3	5.4	5.0	4.3
72	5.7	5.9	4.3	3.6	7.5	6.0	5.2	5.1	5.0	3.9	7.0	6.2	5.1
Quota-Bonus													
40	3.8	3.8	4.0	3.9	4.0	4.0	3.9	4.0	3.9	3.9	4.1	3.9	3.9
41	4.9	3.8	4.1	3.8	5.2	4.7	4.2	3.7	4.2	4.2	4.3	4.4	4.2
48	4.2	4.1	4.5	3.3	5.4	4.9	4.3	4.3	4.1	4.3	5.0	4.9	4.3
49	4.5	5.7	4.5	4.3	5.8	4.7	4.4	5.0	4.7	4.4	5.2	5.5	4.8
57	3.7	3.8	3.9	4.1	4.7	4.0	4.0	4.1					4.0
66	4.0	2.8	5.3	3.0	4.8	5.4	4.0	6.3	4.1	3.9	4.6	6.0	4.2
76	9.0	7.8	8.0	4.7	11.8	10.8	9.1	8.1	6.2	7.7	11.5	12.2	8.2
79	4.4	3.0	3.9	3.1	4.5	3.5	3.9	3.7	2.8	3.8	4.3	3.9	3.6
81	4.2	4.1	4.6	4.0	4.4	5.1	5.0	4.9	5.0	4.8	4.9	4.9	4.6
98	4.3	4.4	4.2	3.7	4.6	4.5	3.9	4.5	4.4	4.3	4.5	4.5	4.3
99	4.4	3.5	4.2	3.0	4.2	4.6	4.1	3.2	2.5	6.6	3.2	3.2	3.7

MONTHLY FLUCTUATIONS IN SELLING COST

To what extent do the fluctuations in net sales carry over to selling costs? Obviously the lowest selling cost of the year would be expected to be, as it is, in December; the highest of the year in January. This variation is, to some extent,

true under all methods of payment, but especially true under straight salary and salary plus commission on all sales. The least fluctuation in selling cost is, as would be expected, in the quota-bonus plans which pay a percentage on net sales; the lowest cost in a good month is under straight salary. The highest selling cost in dull months tends to be under salary plus commission on all sales because the store has two fixed charges to meet on every sale up to the point where the basic salary is covered.

One may then say that fluctuation in selling cost from month to month is extreme under straight salary and salary plus commission on all sales; that it follows, inversely, the changes in volume, and is modified in extent by quota-bonus systems.

The monthly selling costs are, in themselves, significant enough to be given for each hosiery department.

FLUCTUATIONS IN NET SALES

We are not here concerned with the merchandising problem which arises from this seasonality. Our concern is with its effect upon wage payment. To what extent is the fluctuation from month to month a managerial problem in manning

TABLE 31

MEDIANS OF AVERAGE WEEKLY NET SALES OF FULL-TIME AND TWELVE-MONTHS EMPLOYEES IN HOSIERY DEPARTMENTS BY METHOD OF PAYMENT

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Straight Salary												
Full-time	$446	371	415	630	287	334	409	433	410	463	427	430
12-Months	$464	421	434	700	323	357	424	457	441	532	454	461
Salary Plus Commission on All Sales												
Full-time	$395	536	447	674	366	386	487	416	448	650	442	367
12-Months	$451	538	556	834	380	430	494	456	528	668	492	424
Quota-Bonus												
Full-time	$459	530	479	732	379	408	477	478	480	465	426	396
12-Months	$457	582	503	771	418	412	514	498	504	498	458	416

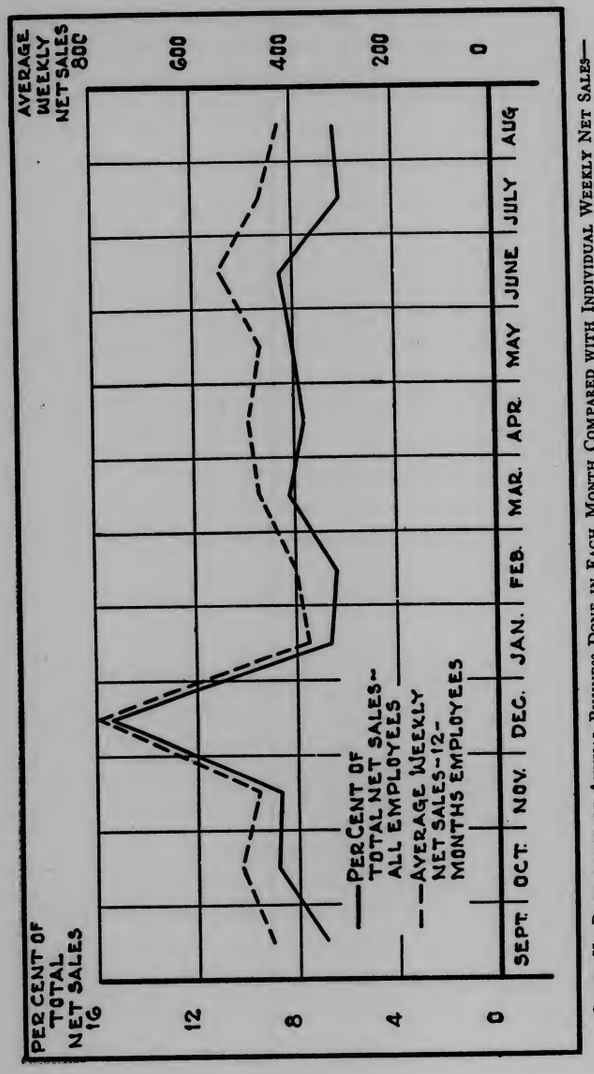

CHART V—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH COMPARED WITH INDIVIDUAL WEEKLY NET SALES—25 HOSIERY DEPARTMENTS

the department? To what extent do the fluctuations affect the sales output of the regular individual employee?

For an answer to the question of the effect upon the output of individual employees, we have omitted the record of all part-time, per diem and temporary sales clerks, and consider, first, the average weekly net sales per employee of all full-time sales clerks; second, the average weekly net sales of full-time employees who worked in each of the twelve months. The use of two groups furnishes a check upon the conclusions. If only full-time employees were studied, the weekly sales might be influenced by changes in personnel. The twelve-months employees are a group of identical sales clerks free from all learners and short-service workers.

The full-time employees in straight salary departments averaged $630.00 per employee per week in December and $287.00 in January; in salary plus commission on all sales, the sales were $674.00 in December and $366.00 in January; in the same months the net sales were $732.00 and $379.00 in quota-bonus departments. The experience of the twelve-months group differs only slightly from that of the full-time group.

To relate the changes in individual sales to fluctuations in business, a chart is shown of 25 hosiery departments. The solid line of the chart shows the ratio of the business of the year done in each month; the dotted line, the average weekly net sales of twelve-months employees. The correspondence of the lines shows that the volume of net sales which an individual attains varies directly with fluctuations in business. From a study of these employees, one can say definitely that the seasonality evident in net sales does affect the individual output.

These figures indicate that the up and down swings in the volume of the whole department are reflected in the volume sold in each month by the individual employee. Changes in business thus become a major factor in wage setting. This is not all. A question about the variation in individual output raises the question of the extent to which net sales are a

TABLE 32

FLUCTUATIONS IN BUSINESS AND INDIVIDUAL WEEKLY NET SALES

(25 Hosiery Departments)

Median	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Percentage of Business Done in the Year.....	6.9	8.8	8.7	15.4	6.6	6.4	8.2	7.6	8.0	8.5	6.1	6.3
Average Individual Weekly Net Sales of Identical Employees..	$451	511	475	797	376	400	473	494	467	548	463	424

measure of selling efficiency. If the identical employees who made the December sales cannot attain more than one-half their December output in January, are high net sales a measure of opportunity or efficiency? This inquiry is significant when it is recalled that many stores base compensation upon net sales only. One must admit that net sales are, at best, an imperfect measure of individual efficiency from month to month, though, doubtless, some measure of differences in the efficiency of employees selling at the same time.

COMPARISON OF THE FLUCTUATIONS IN THE EARNINGS OF TWELVE-MONTHS EMPLOYEES

Having shown that there is a seasonal variation in the opportunity for selling, we may now inquire how much this fluctuation is evident under different methods of payment.

At the outset, it must be admitted that the appraisal of any one factor in a situation influenced, in one way and another, by an endless number of other factors is a task which must be undertaken with caution and with the full knowledge that there will be many exceptions to the trend of experience. If an answer is to be found at all, we must avoid the effect of as many other factors as possible.

A test of the effect of methods of wage payment in hosiery departments must answer four questions:

(1) Under which method of payment are the earnings of hosiery sales clerks most regular?

(2) Which method of payment gives the highest level of earnings?

(3) What is the fluctuation in selling costs under different methods of payment?

(4) How do individual net sales compare in busy seasons and in off seasons under the various methods of payment?

These questions must be answered by considering monthly as well as annual figures. We repeat that if all full-time employees were used for this test, there would be variations due to frequent changes in personnel. To avoid the effect of personnel changes, we confine this section to the records of employees who began and ended the year in each hosiery department and who worked in each of the twelve months. This selection gives us a group of identical employees. Unfortunately, in small departments, the number in the group will not be large. This is the only group, however, of which one could say that monthly differences in earnings and sales were not caused by changes in the selling ability of the employee. From these records we have eliminated the influence of absenteeism by the use of a standard week.

For the twelve-months employees we may then ask, "Under which method of payment are weekly earnings most uniform from month to month?"

A chart of relatives of average earnings for each month, based on the average of the year, shows that from the point of view of the employee, earnings are quite uniform under straight salary methods, subject to slightly more variation under salary plus commission on all sales, and still more variation under quota-bonus methods. The usual causes of variation under salary methods for an identical group of employees come from Christmas bonuses, special prizes, stims, and wage increases during the year. The salary plus commission on all sales gives a peak of high earnings in December. For all salary plus commission departments this peak was 11.6 per cent above the average of the year. The quota-bonus stores in December show a peak of 33.5 per cent in earnings above the average of the year, followed by a month in which earnings were 8.4 per cent below the average of the year. In June and July in quota-bonus depart-

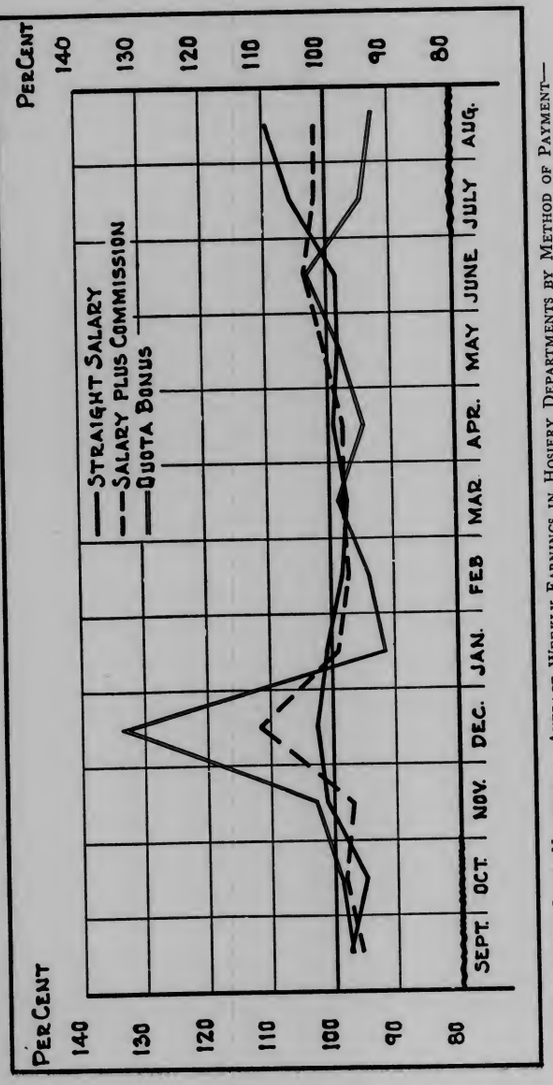

CHART VI—INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS IN HOSIERY DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

ments, there are low points in weekly earnings owing to the fact that employees do not earn bonuses during their vacation period. From this analysis it is clear that there is more variation in earnings under quota-bonus methods of payment and less under straight salary than is found in the salary plus commission group.

The difficulty of stating exactly how much more or less the irregularity amounts to comes from the fact that all departments do not have their high and low months at the same time and some of the irregularity found in individual companies is smoothed by totaling the group for each month. The incidence of irregularity, however, is clear from the fact that average weekly earnings in the highest month ranged from 6 to 30 per cent above the average of the year in salary plus commission stores and 6 to 80 per cent in quota-bonus departments, with only three not as high as 23 per cent or more. Omitting the peak of this extreme month, as the plans of payment are operated there is not as much irregularity in the final wage as one would have expected. The fact is that managers of quota-bonus stores find that they must pay a guaranteed wage or adjust rates in dull seasons and in this way our chart shows that a closer approach to uniformity is maintained than would be if deficits were not absorbed in the department. Besides, there is some exaggeration in the peaks of the quota-bonus stores which cumulate bonuses either quarterly or semi-annually.

The chart of relatives shows only the fluctuation from month to month; it does not show differences in levels of wages, since the yearly average is considered as 100 in each case. To answer our second question, which method gives the highest level of earnings, we show a chart of median weekly earnings in each month classified by method of pay.

This chart indicates that, for our selected group of departments, salary plus commission on all sales yields a level of earnings only slightly higher than the quota-bonus method but considerably higher than straight salary. The commission on all sales plan makes for peaks in earnings at Christ-

TABLE 33

INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS BY METHOD OF PAYMENT
HOSIERY DEPARTMENTS
TWELVE-MONTHS EMPLOYEES
(Base—Average of the Year)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average Earning
Straight Salary	97.8	95.1	101.0	102.6	100.9	98.3	97.5	99.4	98.6	98.7	105.8	109.7	$19.21
Salary Plus Commission on All Sales	95.9	98.1	97.1	111.6	99.0	97.1	98.0	97.8	100.4	103.8	102.0	101.8	$22.61
Quota-Bonus	97.4	98.7	102.6	133.5	91.6	94.0	98.6	94.6	98.0	103.2	94.5	92.7	$22.20

mas and Easter and special sales. In the quota group, weekly earnings in December averaged $10.00 per week more than in the previous month. On the other hand, dull seasons brought earnings in quota stores below either of the other groups.

The figures upon which the chart is based indicate the extent of variation for the whole group under each method.

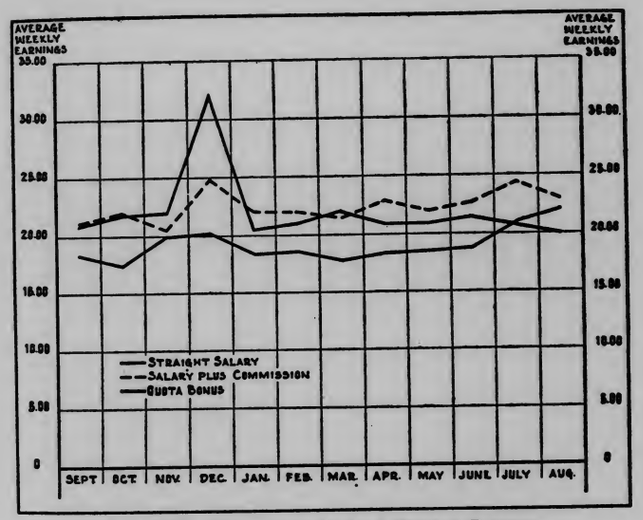

CHART VII—MEDIANS OF AVERAGE WEEKLY EARNINGS IN HOSIERY DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

That these are typical fluctuations may be shown by taking four of the departments with the highest earnings and different methods of payment.

Firm 23, paying straight salary, varies only from $27.14 to $27.66.

Firm 21, paying salary plus commission on all sales, varies from $25.90 to $36.07.

TABLE 34

MEDIANS OF AVERAGE WEEKLY EARNINGS BY METHOD OF PAYMENT
HOSIERY DEPARTMENTS
TWELVE-MONTHS EMPLOYEES

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Median Earning
Straight Salary	$18.03	17.47	20.00	20.02	18.49	18.51	17.80	18.45	18.58	18.80	21.06	22.09	19.22
Salary Plus Commission on All Sales	$21.12	22.00	21.49	24.94	22.00	22.00	21.51	22.94	22.00	22.71	24.33	22.97	22.64
Quota Bonus	$20.98	21.88	22.00	32.00	20.53	21.00	22.00	20.99	20.99	21.48	20.51	20.00	22.40

TABLE 35

AVERAGE WEEKLY EARNINGS OF FULL-TIME EMPLOYEES IN FOUR HOSIERY DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average Earning
23	$27.18	27.14	27.16	27.16	27.22	27.21	27.40	27.44	27.45	27.48	27.52	27.66	27.33
21	$25.90	28.62	28.15	36.07	29.15	28.79	30.72	28.13	30.83	32.17	29.40	31.14	29.86
25	$20.68	21.51	21.09	22.71	22.61	21.60	21.16	22.96	22.71	23.07	25.86	25.84	22.54
40	$26.35	25.74	25.78	48.53	22.13	24.40	29.03	22.30	27.81	23.74	23.60	25.67	27.02

Firm 25, paying salary plus commission on all sales, varies from $20.68 to $25.86.

Firm 40, paying quota-bonus, varies from $22.13 to $48.53.

We conclude, then, that there is enough irregularity in income under the salary plus commission and bonus methods to deserve careful consideration in wage setting, and that as an offset there is a higher level of earnings under these methods.

FLUCTUATIONS IN SELLING COSTS

From the point of view of the employee, the fluctuation in earnings and the level of earnings is of paramount importance; from the point of view of the store, regularity and predictability of selling costs are equally urgent. Merchandise must be marked for sale in a particular month. It matters little for the moment that the average of a year may be a given figure; the significant inquiry is, "What will be the selling cost in the period in which the merchandise is sold?" Any adjustment which will tend to minimize the fluctuations in selling cost from month to month will aid in economical planning.

It is here that the argument for one method of payment over another finds most of its support. The difference is mainly in flexibility. Over a long period, selling costs are about the same under all methods; from month to month, the effect is very different. Under the quota-bonus systems an approximation to a uniform cost is maintained from month to month, with busy months a trifle low if many sales above quota are made at a lower rate. The result is that selling costs are controlled within the limits of 3.8 per cent and 4.7 per cent. The selling costs in salary plus commission departments vary from 3.0 to 5.7 per cent. Straight salary stores have even more irregularity to meet, since selling costs for our group varied from 2.8 per cent in December to 5.8 per cent in January. Thus, in December, the salary stores and the salary and commission stores are able to reduce sell-

ing costs to a smaller percentage than the quota-bonus stores attain. This advantage is offset in January and February, when costs rise in all stores but only moderately in the quota stores in contrast to the others.

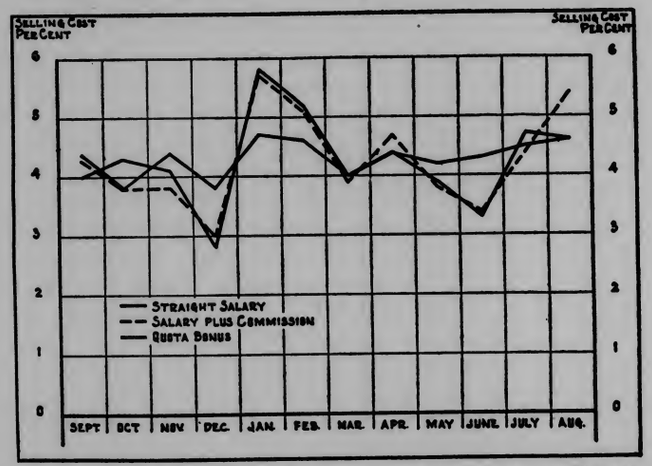

Chart VIII—Medians of Selling Cost Percentages in Hosiery Departments by Method of Payment—Twelve-Months Employees

The medians of the actual percentages of costs from month to month are given in Table 36.

TABLE 36

Median Selling Cost by Method of Payment in Hosiery Departments (Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Yearly Average
Straight Salary.....	4.0	4.3	4.1	2.8	5.8	5.2	4.0	4.4	3.9	3.3	4.7	4.6	4.0–4.1
Salary Plus Commission on All Sales	4.3	3.8	3.8	3.0	5.7	5.1	3.9	4.7	3.8	4.3	4.4	5.4	4.1
Quota-Bonus..	4.4	3.8	4.4	3.8	4.7	4.6	4.0	4.4	4.2	4.3	4.5	4.6	4.1–4.2

Besides the problem of irregular costs which these percentages present, there are some interesting facts evident in

the figures. The straight salary store in a good month or a good year has the possibility of the lowest costs. The salary plus commission store is midway between the other methods in costs in a good period, but in a dull period it keeps only a trifle below the salary group.

Since the relation of selling costs to method of payment is of general interest and the conclusions of this section rest upon the analysis of the small number of twelve-months employees, it is supplemented by a monthly chart of selling costs for all employees.

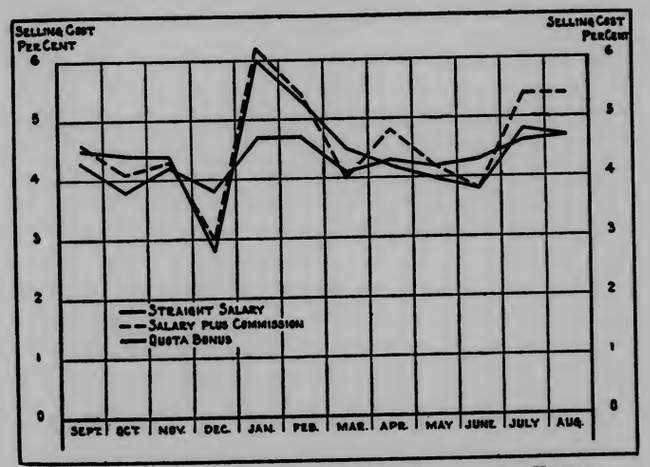

Chart IX—Medians of Selling Cost Percentages in Hosiery Departments by Method of Payment—All Employees

There is one difficulty. The medians of all employees are for 29 firms; those for twelve-months employees are based on only 27 firms.

The chart of the median selling cost percentages of all employees shows that there is little difference in the long run between the methods of pay as far as the store is concerned. The medians for the total year are 4.4 per cent for

straight salary stores, and 4.2 per cent for stores paying either salary plus commission on all sales or a bonus above a quota.

The curve representing the quota-bonus stores is not subject to as wide fluctuations as that of the stores using other methods of payment. The unsteadiness of the latter is to be expected, since the store tends to peg the costs of selling at a percentage of net sales rather than at a definite amount as in the salary stores.

TABLE 37

MEDIAN SELLING COSTS BY METHOD OF PAYMENT IN HOSIERY DEPARTMENTS
(All Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Yearly Average
Straight Salary.....	4.5	4.4	4.4	2.8	6.0	5.3	4.5	4.2	4.0	3.8	4.8	4.7	4.4
Salary Plus Commission on All Sales	4.6	4.1	4.3	3.0	6.2	5.4	4.0	4.8	4.2	3.8	5.4	5.4	4.2
Quota-Bonus..	4.3	3.8	4.2	3.8	4.7	4.7	4.1	4.3	4.2	4.3	4.6	4.7	4.2

From these figures it is evident that, from the point of view of management, the main advantage of one method of payment over another is that under the bonus plans selling costs are predictable within a narrow range.

MONTHLY VARIATIONS IN THE VOLUME OF NET SALES

All types of payment had to meet the test of ups and downs in business. The fluctuations in individual sales under various methods of payment were much alike. The twelve-months employees sold 50 per cent above their monthly average of the year in December and fell about 25 per cent below the monthly average in January.

The figures indicate that each group suffered about the same changes in opportunity to sell. There is also no reason to say that the employees in straight salary stores do not make use of their opportunity to sell in December, May, and June.

In drawing conclusions from the records of twelve-months

TABLE 38

INDEX NUMBERS OF AVERAGE WEEKLY NET SALES BY METHOD OF PAYMENT IN HOSIERY DEPARTMENTS
TWELVE-MONTHS EMPLOYEES
(Base—Average of the Year)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Straight Salary..	95.5	99.0	95.6	150.7	75.2	76.3	94.4	96.2	105.2	112.0	98.4	97.0
Salary Plus Commission on All Sales...	84.3	95.2	101.7	151.6	73.6	87.9	103.0	92.2	105.9	127.4	88.9	80.2
Quota-Bonus....	94.9	108.8	99.3	163.5	77.8	87.0	98.6	89.6	107.6	98.2	87.9	82.6

employees, one is on reasonably safe ground. In each store identical employees are included for twelve months. This

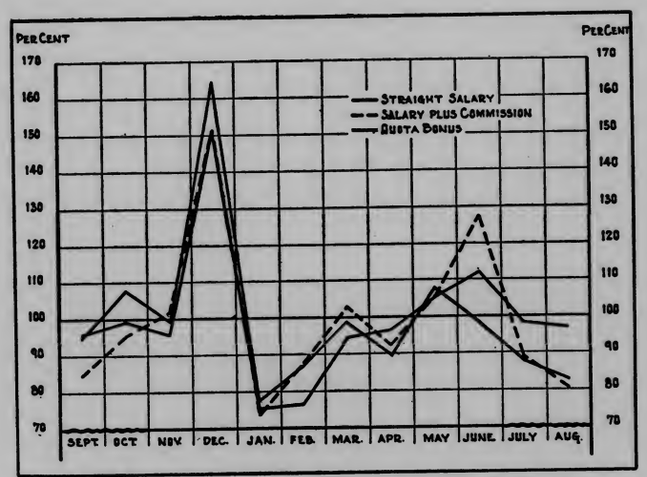

CHART X—INDEX NUMBERS OF AVERAGE WEEKLY NET SALES IN HOSIERY DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

procedure dodges the whole question of the policy of the stores in meeting peaks in business by the use of short-service, part-time, and per diem employees. We can now consider the groups of employees working on other time

schedules by relating the proportion of business done by twelve-months employees to that done by other clerks.

Here the data of monthly percentages of total net sales need several qualifications. In the first place, the figure for net sales does not constitute the total net sales of the entire department, but rather is the sum of the net sales reported

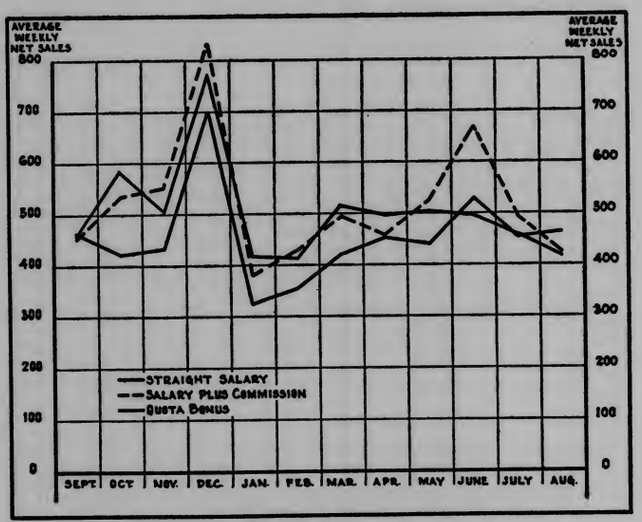

CHART XI—MEDIANS OF AVERAGE WEEKLY NET SALES IN HOSIERY DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

by the stores for individuals and used in the study. The data reported for "other clerks," usually representing interselling by clerks from other departments, were disregarded. Sales made by managers, buyers—in short by anyone not a sales clerk—were omitted. The effect of this procedure can be seen in one store where the net sales in October slightly exceed the net sales in December. The inclusion of the records of the department manager and assistant manager would just reverse the situation.

When the department in the store did not conform to the classification used in the study, only the records of clerks selling women's hosiery were included. Another qualification to the data is the fact that all stores did not report calendar months. The only feasible method of presenting the data, however, is to express the sales made each month as a total of the year.

The average weekly net sales per sales clerk may be affected by either of two variables: the total volume of business and the number of sales clerks. The result of the combination of these factors has its place in the appraisal of the part done by the various employees and of the department as a whole. But in order to understand changes in the average, it is necessary to isolate the various factors which affect it. This section, therefore, is concerned primarily with the volume of business transacted in each month of the year covered by the study.

There are enough differences in the policies of firms to make it essential that a number of typical situations be presented instead of group summaries. These differences are apparent from the fact that companies meet peaks in demand in a variety of ways. For example:

12 stores have no part-time or per diem clerks;
4 stores sell less than 1 per cent of the year's business by part-time and per diem clerks;
7 stores sell from one to 10 per cent by part-time and per diem clerks;
2 stores sell from 10 to 22 per cent by part-time and per diem clerks.

Part-time sales clerks are found in only two small departments, five medium-sized, and six large ones. Therefore, in a study of part-time and per diem employees, the small departments may be disregarded. We have taken seven firms to represent the entire group of hosiery departments. These stores differ in regard to size, method of pay, and location.

To facilitate comparison from store to store, the volume

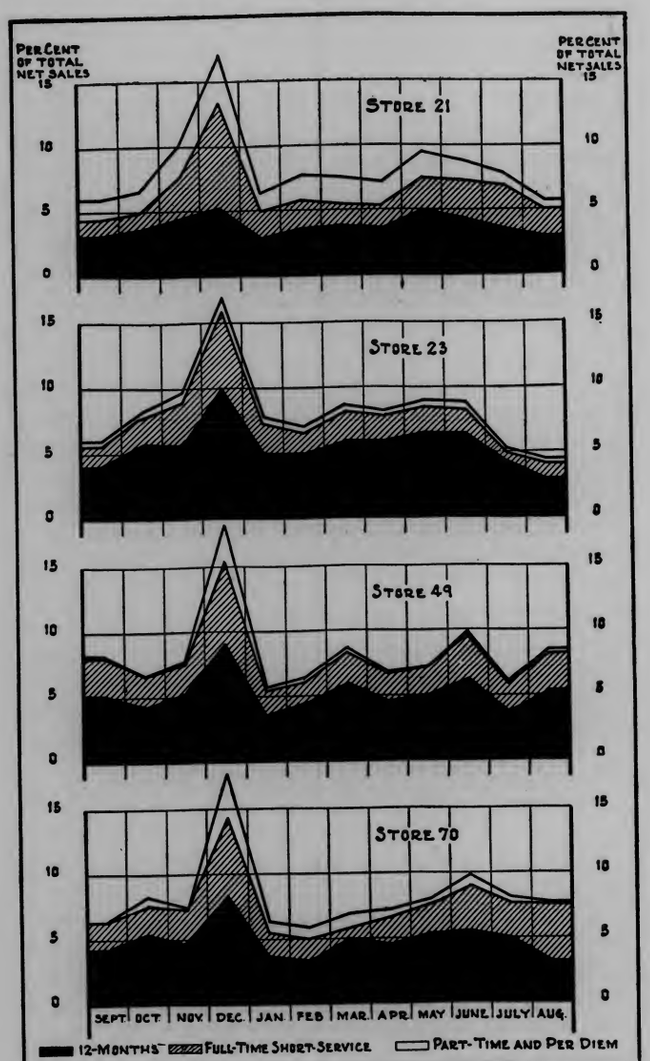

CHART XII—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN HOSIERY DEPARTMENTS

of each month is represented as a percentage of the total business of the year. Thus, in all cases, the total business has been made the same. These figures are represented by the top curve of each chart. It will be noted that the charts are divided into two or three sections. The lower shaded section represents the work done by employees on the roll for the twelve months. The number of employees in this group remains constant throughout the year, although there are variations in the amount of time worked by this group from month to month. The cross-hatched section of each chart represents the amount of net sales made by full-time clerks who were not with the firm for the entire year either because of lay-offs for a month or more during the year or because they left the department before the end of the study or were not employed at the time the records began. Some of the charts have still a third area between the cross-hatched section and the top curve. This white area is an indication of the work done by part-time and per diem clerks.

The seven stores divide into two groups in their policy of using auxiliary help. Four of these departments make from 4 to 22 per cent of their total net sales by part-time and per diem sales clerks. In these same departments, the twelve-months employees sell from 45 to 67 per cent of the total volume.

The comparable groups of identical sales clerks in the other three stores transact from 53 to 76 per cent of the year's business. Thus, these stores have in common the fact that the twelve-months employees account for a large proportion of the total year's business.

These stores all do as much as 14 per cent of the year's hosiery business in December and five more than 17 per cent. The maximum sold in any of the stores was 19.7 per cent.

The charts show that usually the performance of the twelve-months employees closely follows that of the department as a whole. It is significant that the performance of an identical group of employees parallels the sales of a changing group. The most outstanding exception is store 21, where

the twelve-months employees seem to be at maximum capacity the year round. In the other cases, regardless of the presence or absence of a commission or bonus on sales, the employees increase their sales when there is an added opportunity to sell. It is also striking to note that there are some cases where the sales of the department decreased and at the same time the sales for twelve-months employees increased, so that one wonders whether the stores overestimated the demand or failed to recognize the full selling capacity of their employees. Only in the case of the firm with the greatest number of auxiliary clerks did the percentage of sales made by the twelve-months employees fall below 50 per cent of the year's business.

The rest of the sales were made by full-time employees of less than twelve months' service. In the stores using part-time clerks, the volume of business done by short-service full-time clerks ranged from 26 to 33 per cent of the year's total, while in the group making no use of part-time clerks the range was from 23 to 46 per cent. Thus it seems that this latter group used additional full-time employees in preference to part-time and per diem clerks. In stores using part-time employees, the area of sales made by these clerks is fairly constant. Evidently clerks on these time schedules are used to meet daily and weekly peaks rather than extreme seasonal changes.

The Christmas rush makes a tense problem in hosiery departments. The type of the merchandise and buying habits both contribute to making December a record month. The problem is not simplified because it is concentrated into a narrow limit of time. Its difficulty is increased mainly because it lasts for such a short time that only makeshifts seem to be useful. Anticipation for sales is sometimes evident in November payrolls. One store in our study follows the policy of placing its Christmas extras in November, with the result that its selling cost for the month is increased 2.1 per cent above the average of the year.

Since the peak of December is paralleled in many other

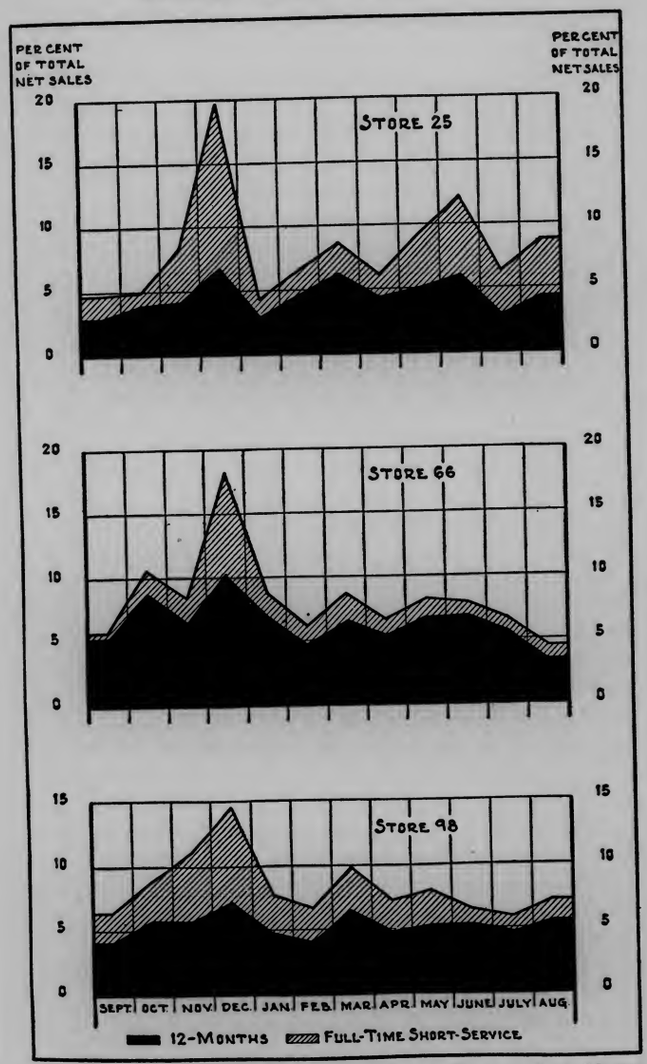

CHART XIII—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN HOSIERY DEPARTMENTS

departments, it is of interest to know what part of the December sales is made by twelve-months, short-service, and part-time clerks. Unfortunately, our figures do not show the sales of all contingents.

The relation among employees considered already for these seven firms is indicative of the proportion of sales made by twelve-months employees generally.

TABLE 39

DISTRIBUTION OF DECEMBER BUSINESS IN SEVEN HOSIERY DEPARTMENTS

Store Number	Percentage of December Business Done by Clerks Working		
	12-Months	Full-Time (Short-Service)	Part-Time
21	30.6	47.6	21.8
23	59.2	34.9	5.9
25	34.5	65.5	
49	50.0	35.2	14.8
66	56.4	43.6	
70	47.5	33.3	19.2
98	49.7	50.3	

In the use of part-time and per diem sales clerks these firms illustrate two different policies. In Firms 21 and 23, part-time employees sell about the same proportion of the December business as they do throughout the year, so that the main dependence is upon full-time clerks. In firms 49 and 70, part-time and per diem clerks take care of a higher proportion in December than they do in the rest of the year.

While twelve-months sales clerks increase their average weekly net sales in December, the proportion which they account for in this rush month is markedly less than their part of the total year's sales. In the one store where they do sell nearly the same proportion in December as in other months, one must assume that they were selling far from their maximum at most times.

Let us now turn to the selling cost of these different service groups, using more stores with part-time employees. What has been the experience of some of the stores using

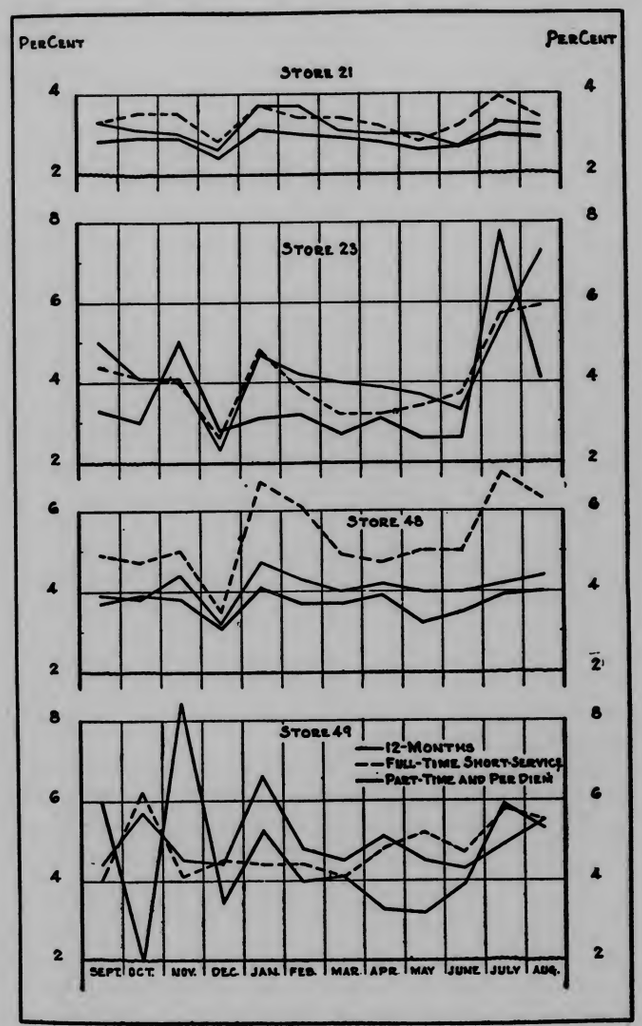

CHART XIV—MONTHLY SELLING COST PERCENTAGES IN INDIVIDUAL HOSIERY DEPARTMENTS

these clerks? For illustration, seven firms using part-time clerks are shown in a series of charts. The selling cost of the part-time and per diem clerks in four departments was less than that for full-time employees. In one store it was exactly the same and in the other two slightly more.

The method of pay does not seem to affect these selling costs. Of the four departments with lower selling costs on the part of the auxiliary clerks, two used quota-bonus, one straight salary, and one salary plus commission on all sales. The store that broke even used straight salary, while of the two who had higher costs for these clerks one paid a straight salary and the other a salary plus commission on all sales. These low costs seem rather to be an advantage accruing from the size of the department, since the four with low-cost part-time and per diem clerks are in the large-size group of departments and the other three are medium-sized. The selling costs of the various groups in all hosiery departments are tabulated in Table 40.

Selling costs for part-time clerks should be considered from two points of view: (1) how much difference is there in the actual selling cost of employees working on different time schedules; (2) how much is the selling cost of the whole department operated on one basis or another. In other words, selling costs might conceivably be high for part-time clerks, yet the opportunity to limit the costs to the time when sales were most needed might be less expensive than the use of more full-time clerks.

Among the 25 hosiery departments whose records covered all twelve months, there was a great diversity in the percentage of business done by twelve-months people ranging from 16.9 to 91.7 per cent. There seems to be no relation between these percentages and either the size of the department or the method of payment. Either classification of departments shows a very wide distribution. At the same time, there seems to be no relation between the annual selling cost per cent of the department and the percentage of net sales made by the twelve-months employees, since firms

TABLE 40

SELLING COST PERCENTAGES OF EMPLOYEES WORKING ON DIFFERENT TIME SCHEDULES

(29 Hosiery Departments)

Store Number	All Employees	Employees Working			
		Full-Time	Full-Time 12-Months	Full-Time (Short-Service)	Part-Time and Per Diem
12	4.8	4.8	4.2	5.0	
15	4.1	4.3	3.7		
20	4.1	4.1	4.2		
21	3.1	3.2	3.1	3.2	2.8
23	3.9	3.9	4.0	3.7	3.3
24	4.0	4.0	3.9	4.3	5.5
25	3.3	3.3	3.3	3.4	
30	3.9	3.9	3.3	4.6	5.7
40	3.9	3.9	3.8	4.3	
41	4.2	4.2	4.2	4.2	3.1
48	4.3	4.4	4.0	5.0	3.7
49	4.8	4.8	4.8	4.8	4.3
54	5.3	5.3	5.2	5.5	
57	4.0	4.1			
59	4.2	4.2	4.0	4.3	
63	3.3	3.3	3.4	3.2	3.7
66	4.2	4.2	4.1	4.7	
70	4.3	4.3	3.9	5.0	4.6
71	4.4	4.4	4.1	5.9	
72	5.1	5.1	5.7	4.6	
76	8.2	8.1	8.5	7.3	18.0
77	4.9	5.0	4.5		
79	3.6	3.6	3.7	3.4	2.6
81	4.6	4.6	4.6	4.6	
85	4.5	4.5	4.7	4.2	4.5
92	4.7	4.7	6.9	4.2	6.4
93	4.4	4.4	4.6	4.1	
98	4.3	4.3	4.2	4.3	
99	3.7	3.7	3.6	3.9	

at the extreme ends of the distribution have approximately the same selling costs and firms with the same percentage of business differ greatly in selling costs. The reason for the wide spread may very well be internal conditions in the different stores, firms with excessive turnover having less business done by twelve-months employees.

The distribution of sales made by the short-service full-time employees is largely the complement of that made by twelve-months employees. This fact is due to the slight use of part-time or per diem clerks in the hosiery departments.

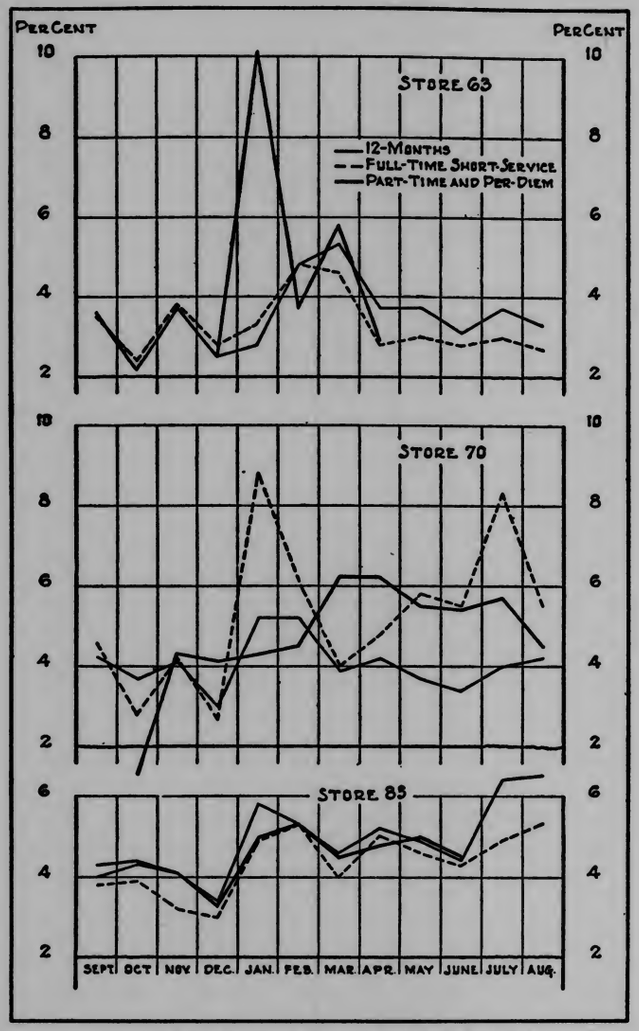

CHART XV—MONTHLY SELLING COST PERCENTAGES IN INDIVIDUAL HOSIERY DEPARTMENTS

It seems as though the larger departments have some advantage in being able to use this type of employee instead of having to add full-time clerks.

The hosiery department, in which few of our stores make much use of part-time selling, is not one in which to draw definite conclusions. Attention must be given to this problem in other selling divisions.

The exact point at which it is profitable, or even customary, to use one group or another cannot be stated offhand. It seems that the trial and error method is really the surest way to determine the practicability of this type of selling. The method of payment in effect in the department has some influence. In stores using a commission or bonus method of payment, the per diem clerks present no difficulty of adjusting quotas. The danger of dissatisfaction among employees whose earnings depend directly upon sales if outsiders are introduced in the busiest, and hence most profitable, times is a conditioning factor. Stores paying straight salary have less difficulty in this respect: witness the fact that five out of eight salary stores use part-time or per diem clerks while only three out of seven departments paying a salary plus commission on all sales and five out of ten departments using the quota-bonus system report the use of such clerks.

In small stores the full-time twelve-months clerks are able to handle the extra December sales, while in medium-sized and large stores full-time short-service people are employed during the period of pressure.

CHAPTER VIII

COMPENSATION AND SALES IN 31 READY-TO-WEAR DEPARTMENTS

The women's ready-to-wear departments are made up of a number of selling units not easily considered as a group. In this study women's and misses' dresses, suits, and coats as well as popular-priced dresses and blouses and skirts are included. Wherever possible, sports wear and juniors' and girls' apparel were omitted. In all cases furs were excluded.[1]

The present tendency toward specialization in large departments in the selling of women's wear, the separation into units according to price levels, sizes, and models, makes the modern women's outerwear departments almost a series of specialty shops. Many of these deserve separate study. Often the rate of commission is graded in the various units of the same department; often a different type of salesmanship is required. Yet over an extended period the amount of interselling makes a study of individual records in each unit unfeasible. Besides, the subdivisions are not the same between stores and are slight in the smaller establishments. Consequently, for comparative purposes the combined units are used.

The same stores which were studied for hosiery reported ready-to-wear departments. Two others in which the hosiery department could not be studied make up the 31 ready-to-wear departments with which this chapter deals. They vary in size from an annual volume of less than $200,000 to some of the largest departments in the country. They are distributed in medium-sized and large cities in 21 states. Still further diversity results from methods of compensation. Five departments adhere to straight salary, 10 to salary plus commission on all sales, 15 to a bonus above quota, and one to the straight commission form of payment. In the adjustment of quotas and the setting of commission and bonus rates, there are interesting experiments which deserve special attention. At the outset, then, it should be clear that these stores are not similarly located or affected by the same competitive factors.

[1] The departments omitted are covered by numbers 55C to 59 in the Controller's Code for stores over $10,000,000.

Admitting the possibility of lack of uniformity, the first problem is to find out how much variation there is to be explained. For this purpose individual firms are shown on Chart XVI. The chart is drawn on the same basis as Chart I for hosiery departments with the average weekly earnings per employee (full-time sales clerks only) on the bottom of the scale, and the average weekly net sales per employee on the vertical scale. Reading from left to right, it is evident that weekly earnings vary from $19.83 in Firm 20 to $35.67 in Firm 40.

An analysis of the chart shows that there are 14 departments in which employees average $20.00 to $24.00 in weekly earnings and nine more departments with an average of $24.00 to $28.00, a surprising closeness in the level of earnings if other dissimilarities are kept in mind. This means that in nearly one-half the ready-to-wear departments—those shown on the left of Chart XVI—the average weekly earnings of full-time employees differ in 14 stores by only $4.00, despite the fact that the stores are widely scattered in various cities. There is more range in the upper part of the scale, eight departments averaging from $28.82 to $35.67.

The median earnings in the 31 departments are a trifle over $24.00, one-fourth of the departments being below $22.00 and the upper fourth above $28.00.

The relation of earnings to sales is indicated by the fact that in 11 stores with average weekly earnings of $19.83 to $22.53, individual net sales average $466; in 9 stores with average weekly earnings of $23.70 to $26.30, individual

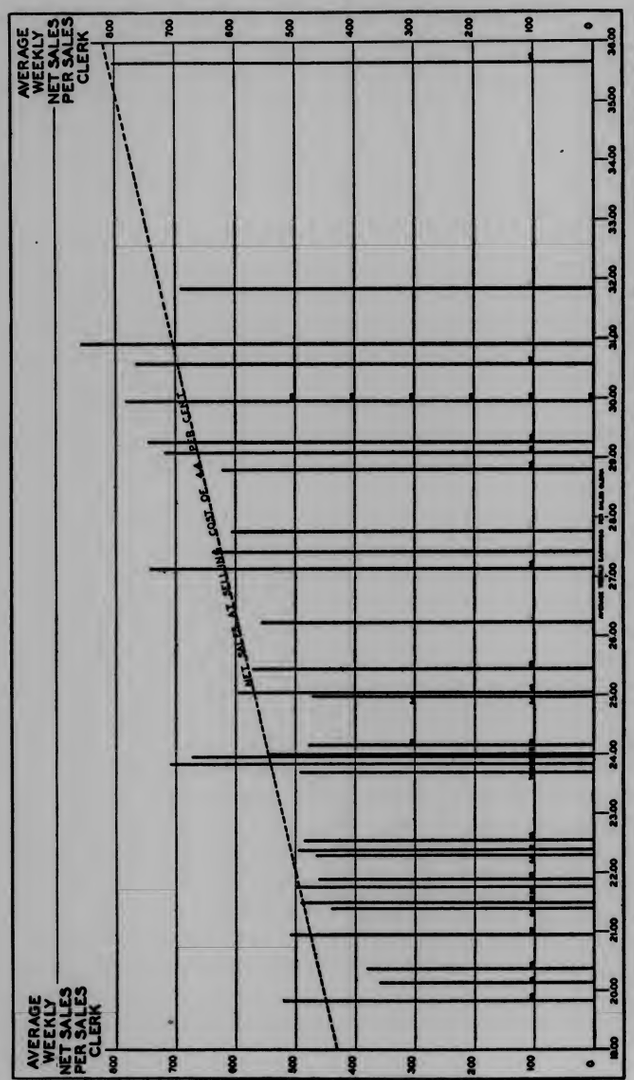

CHART XVI—AVERAGE WEEKLY EARNING AND NET SALES PER EMPLOYEE IN WOMEN'S READY-TO-WEAR DEPARTMENTS IN 31 STORES COMPARED WITH TYPICAL SELLING COST FOR THE GROUP

net sales average $566; in 11 stores with average weekly earnings of $27.13 to $35.67, individual net sales average $725. On a basis comparable to the $466 net sales and the earnings of less than $23.00, net sales would be $533 for the intermediate wage stores and $635 for the upper wage. Consequently, the most effective selling is done in the upper group of 11 firms.

This comparison indicates, in a summary way, about what sales clerks in ready-to-wear departments are selling. To be more definite we find that in average net sales per employee:

2 departments average less than 400;
9 departments average $400 and under $500;
7 departments average $500 and under $600;
5 departments average $600 and under $700;
6 departments average $700 and under $800;
2 departments average $800 and over.

Individual weekly net sales are less than $500 in 11 departments and above $700 in 8 others.

In all except two stores where the net sales per employee were less than $500, sales clerks are earning less than $23.75. In the seven firms in which employees sell five to six hundred dollars' worth in weekly sales, the earnings are below $26.50. Where earnings average $27.00 or more, the net sales amount to more than $600; in fact, in all but four cases the net sales are well over $700. Unmistakably, then, the companies paying the highest earnings are those with the highest individual net sales.

Let us now turn to a consideration of selling costs. There is a striking difference between hosiery and ready-to-wear departments. The fact is that costs have been in a measure stabilized in ready-to-wear departments. Most of our firms have selling costs between 4.0 and 4.6 per cent. The highest percentage of cost in the whole group is 5.6 per cent. In all, seven of the 31 reporting stores operated at selling costs of 3.9 or less and four above 4.8 per cent. For the group, the median selling cost is 4.4 per cent. When the unlikeness in

size and location is considered as well as the difficult problems of selling, it is evident that the stores have succeeded in stabilizing selling costs in ready-to-wear departments to an extraordinary degree. Yet there are irregularities apparent on Chart XVI.

Consider the lower part of the wage scale, below $24.00 in weekly earnings. Eight firms, out of 14, have selling costs above the group median, ranging from 4.5 per cent to one as high as 5.6 per cent. In this group there are three low-cost departments with a considerable leeway in selling costs owing to the fact that their net sales are high in proportion to their earnings.

In the upper part of the chart there are seven companies well below the group median of 4.4 per cent and only three far above it. These have costs of 4.6 per cent. The highest selling costs are clearly in the lower half of the wage scale, the area where individual net sales are least.

Further explanation of the facts revealed by Chart XVI may be gained from a study of the size of the unit sale and the number of customers employees are selling. Obviously more customers should be expected to be sold if the unit sale is small. If no other factor influenced the situation, the number of transactions would decrease as the size of the sale increased. Other factors, however, do exert an influence.

The extent of variation is shown by arranging the firms on Chart XVII by the size of the sales check, which for these departments varies from $10.45 to $56.02. A second scale on the right of the chart was used to plot the number of customers sold at each size of sales check; each company which reported transactions has two bars, the black one showing the size of sale, the outlined one the number of customers.

Sales clerks in these departments are selling 16 to 54 customers per week. There are four departments in which sales persons averaged less than three customers a day throughout the whole year of the study.

To avoid the detail of discussing individual companies, we have dotted in a line to show the number of customers which

would have to be sold at the present level of earnings to maintain the 4.4 per cent selling cost typical of the group. Nine stores are below this line. We are using the earnings which each store is now paying and its own size of sales check.

It is unnecessary to give specific illustration. Most departments with a sales check of about $20.00 serve six to eight

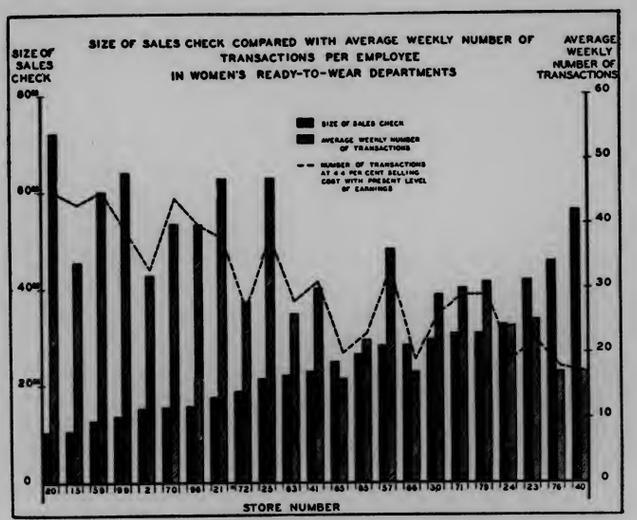

CHART XVII—SIZE OF SALES CHECK COMPARED WITH AVERAGE WEEKLY NUMBER OF TRANSACTIONS PER EMPLOYEE IN WOMEN'S READY-TO-WEAR DEPARTMENTS

customers a day. If we find a firm like 65, in the center of the chart, serving less than three customers a day, it is not surprising to find that its selling costs are high. In this case, each sale is costing $1.27 in wages for direct selling.

The number of transactions helps to explain the net sales. The chart may be useful in other ways. It helps to compare firms carrying merchandise of similar price. For instance Firms 57, 66, and 30, with about the same size of sales check,

sell, respectively, 36, 17, and 29 customers per week, a situation which explains, objectively, the divergences in earnings and selling cost. Many local factors must be studied to go further in explaining high or low rankings.

This chart shows that the size of the sales check should be considered in making comparisons between firms. The accompanying table indicates that the number of transactions offers a useful supplement to figures for net sales and selling cost. Within the ready-to-wear department there are, in each store, a number of selling units with transactions of different sizes. These units within each store should be studied on the basis of size and number of transactions in setting quotas for individual sales persons. This is particularly important in ready-to-wear departments in which there is the likelihood of a lower-priced sale in summer than in winter months. The comparison between firms indicates the possibilities of making a similar analysis in the selling units within any large departments.

In view of the variations in net sales, further subdivision of the group by method of payment and size is desirable. There are some interesting differences in the rates of commission and bonus within the group of departments.

By major plans of payment, there are five departments paying straight salary, 10 departments paying salary plus a commission on all sales, 15 departments paying a bonus above quota, and one department paying straight commission. The representation of the various methods of payment is not the same in this group used for intensive study as was found in the 145 reported on the general questionnaire. The quota group is overweighted and there are fewer straight salary plans. This discrepancy is probably to be explained by the fact that our 31 departments, though some are small, are chiefly in large stores. The salary stores in the intensive study are distributed in both the small and large groups. The salary plus commission departments differ in their rates of commission and also in the methods of payment favored in

TABLE 41

SUMMARY OF SALES AND EARNINGS IN 31 READY-TO-WEAR DEPARTMENTS
(Full-Time Employees)

Store Number	Average Sales Check	Average Number of Transactions	Average Weekly Net Sales	Average Weekly Earnings	Average Selling Cost	Cost per Transaction
20	$10.45	54	$529	$19.83	3.7	$0.38
15	10.55	34	359*	20.14	5.6*	0.59
59	12.72†	45	572	25.45	4.4	0.57
99	13.93†	48	673	23.96	3.6	0.49
02	15.41†	32	497	22.38	4.5	0.69
70	15.46	40	493	23.70	4.8	0.59
98	15.71	40	499	21.77	4.4	0.54
21	17.70†	47	860	30.93	3.6	0.61
72	18.76	28	500	21.49	4.3	0.73
25	21.26	47	744	27.13	3.6	0.58
63	21.85	26	466	22.31	4.8	0.87
41	22.68	30	607	27.77	4.6	0.92
65	24.86	16	381	20.39	5.4	1.27
85	26.35	22	486	22.53	4.6	1.03
57	28.00	36	765	30.58	4.0	0.85
66	28.12	17	440	21.39	4.9	1.24
30	29.36	29	747	29.28	3.9	1.01
71	30.52	30	638	27.43	4.3	0.91
79	30.59	31	717	29.10	4.1	0.93
24	32.38	24	709	23.84	3.4	0.98
23	41.68	25	783	29.96	3.8	1.21
76	45.50	17	690	31.86	4.6	1.85
40	56.02	17	804	35.67	4.4	2.06
12			$546	$24.02	4.4	
48			595	25.05	4.2	
49			621	28.82	4.6	
54			472	24.99	5.3	
77			556	26.30	4.7	
81			477	24.16	5.1	
92			509	20.97	4.1	
93			461	21.90	4.8	

* Based on gross sales.
† Based on net sales.

certain selling units. In five departments, the rate of commission is one-half of one per cent; one pays six-tenths of one per cent; two pay one per cent, and one pays two per cent on all net sales. The tenth store, classed for convenience with this method, is really using a different form of payment. Though its method is a variant of the salary plus commission plan, it operates by setting a quota and paying one-half of one per cent up to the quota, but offering an incentive for

sales effort by paying 2½ per cent on all sales above the quota.

The methods in the various firms are shown by the following table:

Per Cent of Commission on Sales				
¾ of 1 Per Cent	6/10 of 1 Per Cent	1 Per Cent	2 Per Cent	Differential
12	02	54	59[a]	21
25		92[c]		
70[b]				
20				
72				

[a] Straight salary in juveniles' wear.
[b] Except in blouses and skirts in which it is 1 per cent.
[c] Two employees on straight salary.

It is impossible to summarize briefly the many combinations of quota-bonus rates. The footnote gives the prevailing rate during the period of the study, but does not cover all seasonal adjustments.[2] A detailed analysis by departments in 22 quota stores is given in the appendix. (Table 10.)

[2] In small volume departments

15—about 4 per cent below quota and 2 per cent above; a few employees are on straight salary and a few at different rates below quota.

57 and 76—4 per cent above and below; adjustment monthly with guaranteed weekly rate.

65—varied monthly; normal 4½ per cent below and 3 per cent above quota.

81—5 per cent below and 2 per cent above quota.

85—adjustment at 4 per cent every six months for those who earned more than they were paid.

99—rate varied in different selling units from 5 per cent to 3 per cent; normally the same above and below quota.

In medium-sized departments

41—3½ and 4 per cent in different units; same above and below.

48—3½ above and below quota; sweaters 5 per cent and 4 per cent.

49—same above and below quota; varies from 3½ to 5 per cent.

66—4 per cent below, 3 per cent above quota, except coats, which are 3 per cent below and 2 per cent above; also individual adjustments.

93—4 per cent except in blouses and skirts, which are paid straight salary.

In large departments

40—4 per cent and 5 per cent; failure to make quota charged against next month's bonus.

79—4 per cent below and 2 per cent above; during some months 3 per cent and 1½ per cent; weekly wage guaranteed.

Since there is such a variety in the basis of payment if the rates are considered, the analysis will be made on the basis of volume.

What influence has the size of the department upon its effective operation? For an answer to this question, the 31 departments are classified according to the volume of annual net sales in the year ending September 1929. The volume of the department, not the size of the store is here used. The grouping on the basis of departmental sales gives:

12 departments with annual net sales of less than $360,000;
10 departments with annual net sales of $360,000 and less than $840,000;
9 departments with annual net sales of $840,000 and over.

The classification is more or less arbitrary, and is used merely to include a representative number of stores in each group. The largest group has only one department of less than one million and some very large departments.

Ready-to-Wear Departments with a Volume of Less Than $360,000

In the small departments, the average weekly earnings of full-time employees vary from $20.14 in Firm 15 to $31.86 in Firm 76. One-third of this group of stores pay more than $25.00 per week. The median is $24.06. If these figures are placed in relation to those of the whole group of 31 stores, it is seen that average earnings range from the second lowest to the second highest. In other words, there is almost as wide a variation in earnings among small stores as there was on Chart XVI for all stores. The median is about the same as that for the total group. Judged on this basis, earn-

98—many combinations of rates—4 per cent and 2 per cent; 4 per cent and 4 per cent; 5 per cent and 5 per cent; 3½ per cent and 3½ per cent.

30—2½ per cent on coats, 3½ per cent on dresses, 3¾ per cent on inexpensive dresses; a few clerks on straight salary.

TABLE 42

DISTRIBUTION OF AVERAGE WEEKLY EARNINGS AND NET SALES IN 31 READY-TO-WEAR DEPARTMENTS
(Full-Time Employees)

Average Weekly Net Sales	Average Weekly Earnings																Total No. of Stores
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
$350 and under $375		1																1
375 " " 400		1																1
400 " " 425			1															1
425 " " 450			1	1		1												3
450 " " 475			1	2	1	1												5
475 " " 500		1	1				1											3
500 " " 525	1					1		1										3
525 " " 550							1			1								2
550 " " 575							1		1									2
575 " " 600										1	1							2
600 " " 625									1	1								2
625 " " 650					1							1						2
650 " " 675											1		1					2
675 " " 700					1				1		1							3
700 " " 725											1	1						2
725 " " 750									1									1
750 " " 775											1						1	2
775 " " 800																1		1
800 " " 825												1						1
825 " " 850																		
850 " " 875																	1	1
Total No. of Stores	1	3	4	3	3	3	2	1	3	1	3	2	1				1	31

ings in the small stores would seem to be quite representative. The table below shows that weekly earnings are as high in small as in medium-sized stores, but lower than in most large stores.

TABLE 43

DISTRIBUTION OF READY-TO-WEAR DEPARTMENTS BY AVERAGE WEEKLY EARNINGS AND ANNUAL VOLUME

Average Weekly Earnings	Volume of Department		
	Small	Medium	Large
$19.00 and under $20.00		1	
20.00 " " 21.00	2	1	
21.00 " " 22.00		3	1
22.00 " " 23.00	3		
23.00 " " 24.00	1		2
24.00 " " 25.00	2	1	
25.00 " " 26.00	1	1	
26.00 " " 27.00	1		
27.00 " " 28.00		2	1
28.00 " " 29.00		1	
29.00 " " 30.00			3
30.00 " " 31.00	1		1
31.00 " " 32.00	1		
32.00 " " 33.00			
33.00 " " 34.00			
34.00 " " 35.00			
35.00 " " 36.00			1

Net sales in small stores vary from $359 per employee week to $765. The three firms with the lowest earnings have the lowest net sales; the two with the highest earnings have the highest individual net sales. With one exception, net sales per employee vary with earnings.

Selling costs for these small departments tend to be higher than the average of the 31 departments. Only two are below the group median of 4.4 per cent; half the small departments with a cost of 4.7 per cent might be called high-cost departments, especially since four of these are above 5 per cent. In this connection it is worth observing that all the ready-to-wear departments with selling costs of more than 4.8 per cent are included in this group of small volume units. Even

TABLE 44

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $360,000

	Straight Salary		Salary Plus Commission on All Sales			Quota-Bonus							
	Store No. 63	Store No. 77	Store No. 02	Store No. 54	Store No. 59	Store No. 15	Store No. 57	Store No. 65	Store No. 76	Store No. 81	Store No. 85	Store No. 90
All Full-Time Employees												
Average weekly earnings per employee	$22.31	26.30	22.38	24.99	25.45	20.14	30.58	20.39	31.86	24.16	22.53	23.96
Average weekly net sales per employee	$466	556	497	472	572	359	765	381	690	477	486	673
Average weekly number transactions per employee	26		32		45	34	36	16	17		22	48[a]
Selling cost per cent	4.8	4.7	4.5	5.3	4.4	5.6	4.0	5.4	4.6	5.1	4.6	3.6
Average sales check	$21.85		15.41		12.72	10.55	28.00	24.86	45.50		26.35	13.93[a]
Average selling cost per sales check	$0.87		0.69		0.57	0.59	0.85	1.27	1.85		1.03	0.49[a]
Percentage of returns	16.5	9.2		10.2			23.7	4.9	11.8	5.9	15.8	
12-Months Employees												
Average weekly earnings per employee	$26.13	28.07	22.13	25.52	26.10	21.07		20.17	31.34	24.79	25.53	23.01
Average weekly net sales per employee	$512	576	513	521	581	417		358	703	476	607	608
Average weekly number transactions per employee	23		33		48	38		16	16		20	50[a]
Selling cost per cent	5.1	4.9	4.3	4.9	4.5	5.1		5.6	4.5	5.2	4.2	3.8
Average sales check	$26.98		15.70		12.17	11.10		24.03	48.17		37.60	12.24[a]
Average selling cost per sales check	$1.15		0.68		0.55	0.56		1.29	1.92		1.29	0.46[a]
Percentage of returns	16.8	9.4		9.8				4.6	10.4	6.2	18.6	

[a] November to August.

within this group high costs correspond with low individual net sales.

TABLE 45

NET SALES AND SELLING COSTS IN SMALL READY-TO-WEAR DEPARTMENTS

Average Weekly Net Sales per Employee	Selling Cost Per Cent		
	Under 4.5	4.5 and Under 4.9	5.1 and Over
$350 and under $400			15, 65
400 " " 450			
450 " " 500		63, 85, 02	54, 81
500 " " 550			
550 " " 600	59	77	
600 " " 650			
650 " " 700	99	76	
700 " " 750			
750 " " 800	57		

This table shows that low-cost small departments have individual weekly net sales of $570 and over, whereas high-cost departments are all averaging less than $477 per employee.

READY-TO-WEAR DEPARTMENTS WITH AN ANNUAL VOLUME OF $360,000 TO $840,000 IN NET SALES

Ten departments are classed as medium-sized. One adheres to a straight salary method of payment, four to salary plus commission on all sales, and five to a bonus above quota.

The middle-volume departments have lower average weekly earnings than either the small or large group of departments. This fact is probably an accidental result of our selection. Throughout the study, we have found that small departments pay about the same wages as middle-sized. Relatively, these middle-sized differ from small departments more than is usual. The range in average weekly earnings is from $19.83, the lowest weekly earnings in the entire group of ready-to-wear departments, to $28.82, which is exceeded by seven other stores.

The net sales range from $440 to $640 per week per

TABLE 46

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF $360,000 AND UNDER $840,000

	Straight Salary	Salary Plus Commision on All Sales				Quota-Bonus					
	Store No. 71	Store No. 12	Store No. 20	Store No. 72	Store No. 92	Store No. 41	Store No. 48	Store No. 49	Store No. 66	Store No. 93
All Full-Time Employees										
Average weekly earnings per employee	$27.43	24.02	19.83	21.49	20.97	27.77	25.05	28.82	21.39	21.90
Average weekly net sales per employee	$638	546	529	500	509	607	595	621	440	461
Average weekly number transactions per employee	30		54[a]	28[b]		30			17	
Selling cost per cent	4.3	4.4	3.7	4.3	4.1	4.6	4.2	4.6	4.9	4.8
Average sales check	$30.52		10.45[a]	18.76[b]		22.68			28.12	
Average selling cost per sales check	$0.91		0.38[a]	0.73[b]		0.92			1.24	
Percentage of returns	30.6		4.8	18.7	5.8	11.6	20.0	14.3	9.7	
12-Months Employees										
Average weekly earnings per employee	$28.22	24.99	19.59	19.44	22.22	30.38	28.33	28.33	22.89	23.47
Average weekly net sales per employee	$679	563	520	424	562	673	697	600	464	476
Average weekly number transactions per employee	29		64[a]	35[b]		31			16	
Selling cost per cent	4.2	4.4	3.8	4.6	4.0	4.5	4.1	4.7	4.9	4.9
Average sales check	$33.90		8.65[a]	13.53[b]		24.67			32.46	
Average selling cost per sales check	$0.96		0.31[a]	0.56[b]		0.99			1.45	
Percentage of returns	31.7		4.2	16.7	5.8	11.4	20.9	13.9	9.4	

[a] November to ugust. [b] January to August.

sales clerk, a narrow range and rather low. Only three stores average more than $600; two average less than $475.

Since the selling costs in these medium-sized departments are near the average of the total group, and the earnings somewhat lower, it may be inferred that the selling performance is deficient. The other measures of efficiency, which are missing for half this group of stores, show some unusual conditions. Store 20, with the lowest weekly earnings, has a medium volume of individual sales and very low selling costs. A large number of relatively small transactions typifies sales in its ready-to-wear division.

There is a marked contrast between stores 66 and 71. Although the former pays $21.39 per week, the selling cost is 4.9 per cent. On the other hand, store 71, paying $6.00 more per week, has a selling cost of 4.3 per cent. It is only a superficial statement to say that sales clerks in the low-cost department average about $200 per week more than in the high-cost. A more fundamental explanation is found by studying transactions. The difference in the size of transaction of $2.40 is not enough to account for the divergence in net sales. The basic cause for variation is found in the number, or lack of number, of customers served. In store 71 the sales clerks averaged 5 sales per day and in store 66 the average was less than 3 per day.

The middle-sized stores show the existence of a number of unusual situations about which it is hazardous to generalize.

READY-TO-WEAR DEPARTMENTS WITH AN ANNUAL VOLUME OF $840,000 IN NET SALES

Nine of the reporting stores had large ready-to-wear departments. Two of these pay straight salary; three, salary plus a commission on all sales, and four, a bonus above quota or straight commission.

The median weekly earnings are $29.10. This figure represents a range from $21.77 to $35.67. Six averaged more than $27.00, *i.e.*, more than half the departments shown on

TABLE 47

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF $840,000 AND OVER

	Straight Salary		Salary Plus Commission on All Sales			Quota-Bonus			Straight Commission
	Store No. 23	Store No. 24	Store No. 21	Store No. 25	Store No. 70	Store No. 40	Store No. 79	Store No. 98	Store No. 30
All Full-Time Employees									
Average weekly earnings per employee	$29.96	23.84	30.93	27.13	23.70	35.67	29.10	21.77	29.28
Average weekly net sales per employee	$783	709	860	744	493	804	717	499	747
Average weekly number transactions per employee	25	24	47[a]	47	40	17	31	40[b]	29
Selling cost per cent	3.8	3.4	3.6	3.6	4.8	4.4	4.1	4.4[b]	3.9
Average sales check	$41.68	32.38	17.70[a]	21.26	15.46	56.02	30.59	15.71[b]	29.36
Average selling cost per sales check	$1.21	0.98	0.61[a]	0.58	0.59	2.06	0.93	0.54[b]	1.01
Percentage of returns	24.3	9.6		25.1	20.7	17.1	25.5	22.4	12.0
12-Months Employees									
Average weekly earnings per employee	$33.18	25.24	35.13	28.60	23.44	39.59	30.84	22.30	36.17
Average weekly net sales per employee	$838	749	1015	843	516	894	756	534	965
Average weekly number transactions per employee	21	24	48[a]	40	43	18	32	39[b]	35
Selling cost per cent	4.0	3.4	3.5	3.4	4.5	4.4	4.1	4.2	3.7
Average sales check	$50.20	34.45	20.03[a]	27.29	15.26	59.42	30.84	17.30[b]	31.60
Average selling cost per sales check	$1.56	1.06	0.66[a]	0.71	0.55	2.21	0.97	0.57[b]	1.05
Percentage of returns	21.3	9.1		23.6	21.1	16.0	22.8	22.0[a]	11.7

[a] March to August. [b] October, December and January, May to August. [c] October to January, March to August.

Chart XVI with earnings of $27.00 or more are included in this group of nine large departments.

Average weekly net sales are above $700 per sales clerk in all but two departments. Stores of this size are setting a standard of at least $700 in individual net sales, and two stores attain a rank above $800.

All but one department in this volume group maintained a selling cost of 4.4 per cent or less. A cost of less than 4.0 per cent is more typical than a higher ratio. More than one-half are operating at costs of 3.4 to 3.9 per cent. In this group it is found that departments with a sales check of $15.00 to $21.00 sell, per employee week, 40 to 47 customers or 7 or 8 a day; departments with a sales check of $29.00 to $32.00 sell, per employee week, 24 to 31 customers or about 4 or 5 a day; departments with a sales check of above $41 sell, per employee week, 17 to 25 customers or 3 or 4 a day.

Though returns will be considered elsewhere, it is worth while commenting on percentages in the large stores. Throughout the study we have speculated upon the extent to which returns were related to store policy or price of merchandise or other factors. In this group three stores, averaging about the same size of sales check, differ radically in percentage of returns. Firm 24 shows 9.6 per cent of returns, firm 30 shows 12 per cent, and firm 79 as much as 25.5 per cent; again, a firm with a unit sale of $56.00 has only 17 per cent returns while another firm with a unit sale of $41 has as high as 24 per cent. Clearly other influences as well as quality of merchandise help in affecting returns.

Whatever the cause, the group of large departments are in an advantageous competitive position. Earnings and net sales tend to be high in this group and selling costs lower than in small and middle-sized units, except in rare cases.

Classified on the basis of volume, little difference was found in the earning of small and medium-sized departments. Large departments ranked higher than the other

TABLE 48

NET SALES AND SELLING COSTS
READY-TO-WEAR DEPARTMENTS BY ANNUAL VOLUME

Average Weekly Net Sales	Selling Cost									
	Large			Medium			Sma			
	Under 4.0	4.0 and Under 4.5	4.5 and Under 5.0	Under 4.0	4.0 and Under 4.5	4.5 and Under 5.0	Under 4.0	4.0 and Under 4.5	4.5 and Under 5.0	5.0 and Over
Under $400										15, 65
$400 and Under $450						66			63, 02, 85	54, 81
450 " " 500		98	70			93				
500 " " 550				20	12, 72, 92			59	77	
550 " " 600					48					
600 " " 650					71	41, 49			76	
650 " " 700							99			
700 " " 750	24, 25, 30	79					57			
750 " " 800	23									
800 " " 850		40								
850 " " 900	21									

group. A cleavage, however, is evident in selling costs. A grouping of net sales and selling costs makes the tendency clear (Table 48).

TABLE 49

MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY NET SALES IN 31 READY-TO-WEAR DEPARTMENTS
(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
02	$497	$477	$450	$567	$370	$ 625
12	546	548	333	625	285	744
15	359	312	250	450	106	577
20	529	433	319	606	86	1,749
21	860	676	442	855	0	1,600
23	783	713	606	870	187	1,680
24	709	609	468	775	323	2,048
25	744	627	473	783	87	1,578
30	747	503	401	759	0	1,456
40	804	686	532	858	311	1,393
41	607	532	352	663	205	1,207
48	595	531	408	678	291	893
49	621	613	506	758	281	829
54	472	455	300	500	220	694
57	765	739	700	800	585	1,077
59	572	538	421	669	269	885
63	466	454	319	519	191	701
65	381	356	300	467	240	501
66	440	432	353	502	101	728
70	493	415	361	563	179	977
71	638	600	538	713	319	909
72	500	435	339	575	41	1,087
76	690	477	371	819	199	1,187
77	556	490	400	600	311	1,079
79	717	602	454	768	191	1,417
81	477	482	456	508	413	537
85	486	429	309	492	207	676
92	509	310	235	579	157	760
93	461	409	340	519	242	1,306
98	499	449	318	563	12	886
99	673	628	508	813	481	932

Large departments tend to concentrate at selling costs of less than 4.0 per cent; middle-sized, between 4.0 and 4.5 per cent, and small departments, above 4.5 per cent. With notable exceptions, individual net sales are above $700 per week in large departments; between $500 and $650 in middle-sized, and under $500 in small units.

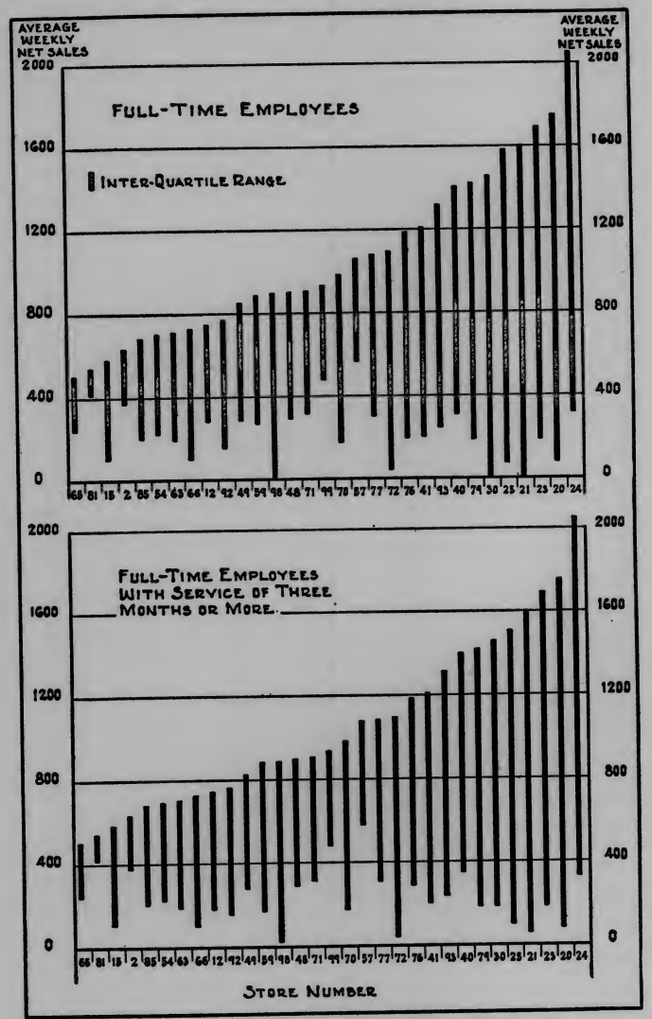

CHART XVIII—RANGE OF AVERAGE WEEKLY NET SALES IN 31 READY-TO-WEAR DEPARTMENTS

VARIATIONS WITHIN READY-TO-WEAR DEPARTMENTS

There is a wide range in the individual weekly net sales by clerks in the same department. The variations could be most significantly shown by giving the number of employees at each level of sales. This detail might identify stores. Consequently we prefer to show limits of variation within each store and determine where the quartiles and median are located.

There is some interest in the maximum sales attained by any employee; consequently the chart is arranged in the order of maximum sales.

Often the maximum and minimum are purely accidental figures serving merely to illustrate the possibilities of variation in individual salesmanship. It is supplemented on the table by data showing the volume which one-fourth, one-half, and three-fourths of the employees sell. For instance, firm 24, at the right of the chart, had one-fourth of its employees selling $775 or more; one-half selling as much as $609, and one-fourth selling $468 or less. The lowest weekly sales by any employee were $323, the highest $2048.

There are no stores in which some one employee does not average $500 or more per week and in most, 25 per cent of the employees sell over $500 worth. In 15 stores at least 25 per cent of the clerks attain less than $400 in net sales.

The differences in net sales attained in the same department go unnoticed because it is easy to assume that low sales are attributable to short-service employees and that the distribution at any one time is accidental. Analysis does not justify such an opinion.

On the lower part of Chart XVIII are shown the same departments with all employees of less than three months' service omitted. In only two firms was the upper limit of sales affected and in only seven was there a change in the minimum sales. The lower sales group was materially changed in firms 21, 30, 76, and 98 and there were minor changes in three other cases. The upper limit on the chart,

TABLE 50

DISTRIBUTION OF MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY NET SALES
31 READY-TO-WEAR DEPARTMENTS
(Full-Time Employees)

	Maximum	Upper Quartile	Median	Lower Quartile	Minimum
Under $200					14
$ 200 and under $ 300				2	9
300 " " 400			3	13	5
400 " " 500		3	13	10	2
500 " " 600	3	10	5	4	1
600 " " 700	3	6	8	1	
700 " " 800	4	6	2	1	
800 " " 900	4	6			
900 " " 1,000	3				
1,000 " " 1,100	3				
1,100 " " 1,200	1				
1,200 " " 1,300	1				
1,300 " " 1,400	2				
1,400 " " 1,500	2				
1,500 " " 1,600	1				
1,600 " " 1,700	2				
1,700 " " 1,800	1				
1,800 " " 1,900					
1,900 " " 2,000					
2,000 " " 2,100	1				

except in two cases, is, then, the average weekly sales in a period at least as long as three months and more often a year.

A similar diversity prevails in weekly earnings. (Chart XIX.) There are stores with no employees averaging less than $20.00; others have none above $30.00; yet, within the same department, in special cases, there may be a range of as much as $40 in the weekly earnings of individual sales clerks. The significant range is indicated on Table 51 by the earnings of the lower and upper fourth of sales clerks.

The second half of the chart of the range of earnings for employees of three months or more shows that in only five departments are the lowest-paid employees accounted for by service of less than three months in the store. This analysis shows:

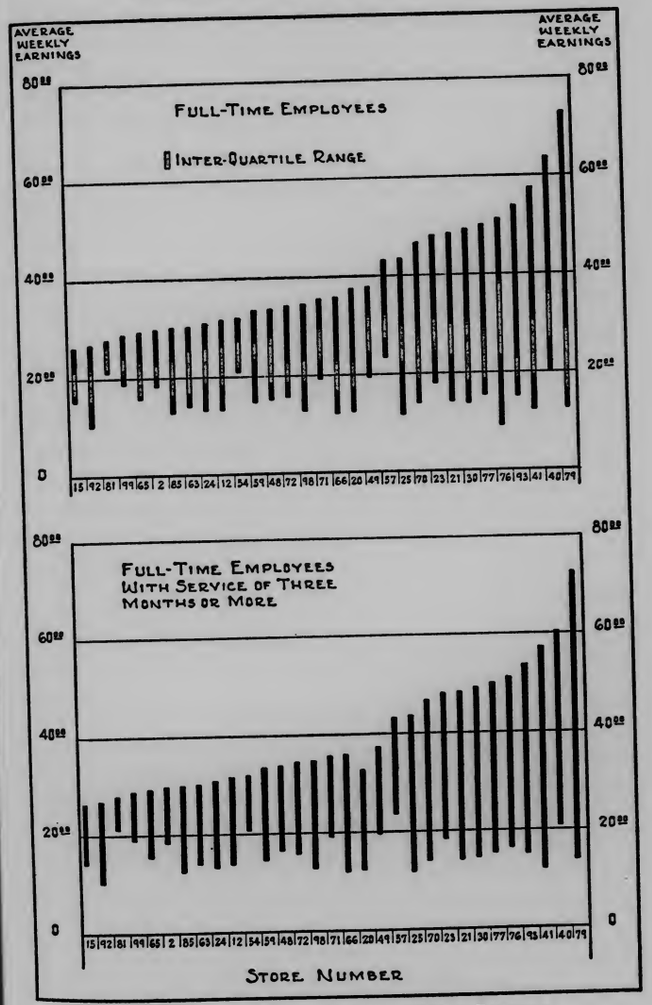

CHART XIX—RANGE OF AVERAGE WEEKLY EARNINGS IN 31 READY-TO-WEAR DEPARTMENTS

(1) That the highest sales attained in some stores rank below the average of others;

(2) That in all stores there are marked differences in attainment and earnings within the same department;

(3) That the extremes are not in most cases due to service of less than three months in the department, but are characteristic of the work of experienced clerks.

The variations in selling cost are given in Table 48 in the appendix.

TABLE 51

MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY EARNINGS IN 31 READY-TO-WEAR DEPARTMENTS

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
02.....	$22.38	$22.26	$20.00	$22.60	$18.05	$29.99
12.....	24.02	23.80	18.00	26.00	13.09	31.35
15.....	20.14	19.01	16.25	21.33	14.28	26.49
20.....	19.83	19.64	17.17	22.13	12.21	38.24
21.....	30.93	26.36	23.29	29.90	14.00	48.23
23.....	29.96	27.77	24.42	30.61	18.00	48.00
24.....	23.84	21.72	18.50	25.70	13.06	30.65
25.....	27.13	25.12	22.08	29.56	11.99	43.55
30.....	29.28	21.17	18.04	30.25	13.92	49.14
40.....	35.67	31.98	26.13	36.17	20.00	60.35
41.....	27.77	25.04	19.08	30.25	12.08	57.33
48.....	25.05	22.77	18.48	27.56	15.00	33.46
49.....	28.82	30.39	24.25	32.13	19.54	37.25
54.....	24.99	23.50	21.50	27.00	20.94	31.74
57.....	30.58	29.89	27.00	32.00	23.35	43.03
59.....	25.45	26.46	23.13	26.79	14.65	33.24
63.....	22.31	18.26	16.56	25.38	14.00	30.06
65.....	20.39	18.07	16.00	23.00	15.63	29.26
66.....	21.39	19.28	16.55	22.54	12.10	35.77
70.....	23.70	21.30	18.75	27.50	14.11	46.91
71.....	27.43	25.71	22.50	29.38	19.10	75.50
72.....	21.49	21.07	18.61	22.56	15.66	34.24
76.....	31.86	25.55	23.13	38.25	9.64	51.17
77.....	26.30	21.33	18.50	29.00	15.35	50.00
79.....	29.10	20.59	16.25	28.30	12.29	72.60
81.....	24.16	23.37	21.50	26.25	21.04	27.66
85.....	22.53	19.65	16.31	23.38	12.63	30.00
92.....	20.97	18.74	15.06	21.58	10.39	26.77
93.....	21.90	19.26	18.36	22.13	15.00	53.56
98.....	21.77	20.41	18.67	22.81	12.66	34.28
99.....	23.96	22.19	20.50	24.25	18.94	28.73

TABLE 52

DISTRIBUTION OF MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY EARNINGS
31 READY-TO-WEAR DEPARTMENTS

(Full-Time Employees)

	Maximum	Upper Quartile	Median	Lower Quartile	Minimum
Under $12.00.....					3
$12.00 and under $14.00....				2	9
14.00 " " 16.00....				1	10
16.00 " " 18.00....				7	
18.00 " " 20.00....			8	10	5
20.00 " " 22.00....		2	7	4	3
22.00 " " 24.00....		8	6	5	1
24.00 " " 26.00....		3	5	1	
26.00 " " 28.00....	3	6	2	3	
28.00 " " 30.00....	3	5	1		
30.00 " " 32.00....	5	3	2		
32.00 " " 34.00....	2	1			
34.00 " " 36.00....	4	1			
36.00 " " 38.00....	1	1			
38.00 " " 40.00....	1	1			
40.00 " " 42.00....					
42.00 " " 44.00....	2				
44.00 " " 46.00....					
46.00 " " 48.00....	1				
48.00 " " 50.00....	3				
50.00 " " 52.00....	2				
52.00 " " 54.00....	1				
54.00 " " 56.00....					
56.00 and over.....	3				

VARIATIONS IN EARNINGS THIRDS WITHIN SMALL DEPARTMENTS

Dividing the employees in small-sized departments into lower, middle, and upper earnings groups provides a chance to determine further the variations within departments. There is a difference of $8.00 to $25.00 a week between the earnings of the lower and upper wage groups. Normally the difference is not over $12.00. In all cases the upper wage groups make the highest net sales, but in four departments the higher sales are not enough to offset the higher earnings. Firm 57 has an extremely well-balanced selling cost for each earnings group. The same is true of firm 99. Firms 77 and 65 have high-cost middle groups, while 54 and 85 have very high cost low-wage groups. In five cases

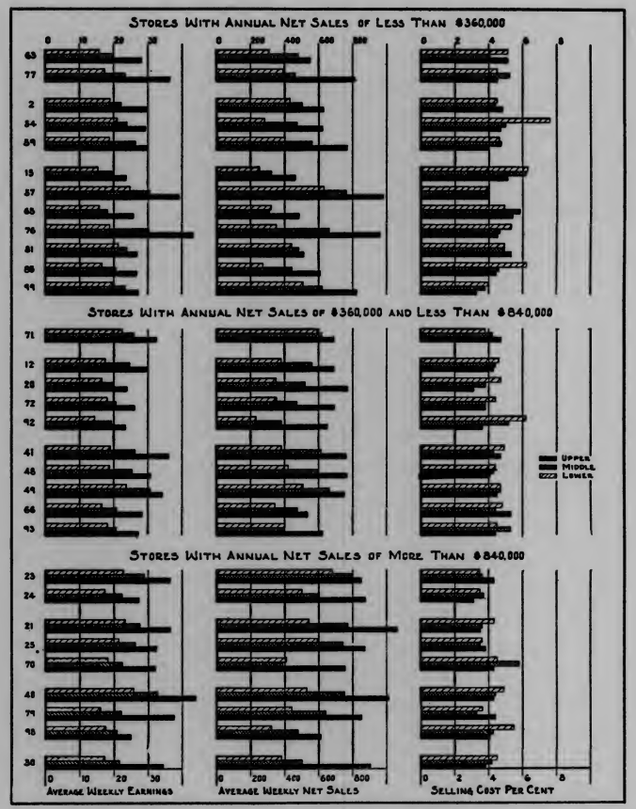

Chart XX—Average Weekly Earnings, Net Sales and Selling Costs in 31 Ready-to-Wear Departments—Full-Time Employees Grouped by Earnings Thirds

the low wage group is the high-cost one; in two, the middle wage; in two, the upper wage group.

What Chart XX shows is that each department has internal conditions which differ more or less from others. These conditions need specific analysis and are somewhat

lost when the average of the whole department is taken. Each of these stores has special problems. The earnings of the upper third of employees are highest in firms 77, 57, and 76. But strangely enough, these high earnings do not accompany high selling costs relative to the other wage groups in the department. The selling cost of firm 57 is quite well-balanced, whereas in 77 it is lower for the upper than for the middle earnings group. Firms 54 and 85 have very ineffective selling by low-wage employees. Firms 15 and 65 have low average net sales for all groups.

The chart shows, in detail, the diversity both within each department and between stores.

Variations in Earnings Thirds within Medium-Sized Departments

The ten medium-sized stores present some interesting contrasts. For instance, in firm 71, the only salary store in the group, though there is a considerable difference in the earnings of low- and high-wage sales clerks, there is not a comparable difference in sales. Consequently the selling cost for high-wage employees is more than for low-wage.

Firm 20 faces the opposite situation. There is not a marked discrepancy in the earnings of the three groups, but the two upper wage groups sell so much more effectively than the lower-paid sales clerks that selling costs decrease with each level of earnings. Firm 92 has an extremely efficient upper wage group but its costs are excessive owing to the low sales of the lowest wage group. Note that in firm 93 the middle wage group is ineffective and produces less than the lower third in earnings.

In other words, the problem of many of these departments is special and nothing is gained by a general statement in situations which need first-hand analysis. The variables in each case are evident in the middle section of Chart XX.

Variations in Earnings Thirds within Large-Sized Departments

The chart of thirds shows that, even though of large size, there are some departments with a level of earnings no higher than was found in some of the small stores. Selling costs in the large departments, however, tend to be low.

The variety of situations is indicated by the fact that firm 23 has a high-cost upper wage group; firm 70 has its middle wage group out of line with sales; firms 21, 40, and 98 have low-wage employees out of line in both net sales and selling costs; firms 24, 21, 30, 40, and 79 are illustrative of the group able to get high net sales and low costs from their best-paid sales clerks.

Since these latter firms represent every method of payment, one must either attribute the success to management factors or grant that any payment can be operated in such a way as to make its reward an incentive.

Since it has been made clear that there are many special situations, it is worth looking for general tendencies. Briefly, a comparison of medians shows:

(1) That the median weekly earnings of lower-wage employees differ very little in our stores of different sizes, in other words, minimum wage levels are about the same despite the size of the department;

(2) That there are only minor differences in the earnings of the middle wage group;

(3) That the earnings of the upper third are much higher in large departments;

(4) That the average weekly net sales increase for each level of earnings. In the large departments, the attainment is not enough to offset the extreme range in earnings and the selling costs of the upper wage group are higher than the middle.

From the point of view of personnel review, there is more tendency to lack of balance between the earnings of different groups in large than in small units.

TABLE 53

EARNINGS, SALES, AND SELLING COSTS OF FULL-TIME EMPLOYEES READY-TO-WEAR DEPARTMENTS

	Size of Store								
	Small			Medium			Large		
	Wage Groups								
	Lower	Middle	Upper	Lower	Middle	Upper	Lower	Middle	Upper
Average Weekly Earnings									
$14 and under $15				1					
15 " " 16	3						1		
16 " " 17	1			2					
17 " " 18	1			3			3		
18 " " 19	2	1		2			1		
19 " " 20	2	2			1				
20 " " 21		1			4			1	
21 " " 22	2						1	2	
22 " " 23		1		1				2	
23 " " 24		4	1	1		2	2		
24 " " 25	1				1				1
25 " " 26			1		2	1	1		
26 " " 27		1	2		1			1	
27 " " 28			1			1		1	1
28 " " 29			1			1			
29 " " 30			2			1		1	
30 " " 31		2	1		1	1			
31 " " 32									
32 " " 33						1		1	2
33 " " 34									
34 " " 35						1			1
35 " " 36						1			
36 " " 37			1						2
37 " " 38									1
38 " " 39									
39 " " 40			1						
40 " " 41									
41 " " 42									
42 " " 43									
43 " " 44			1						1
Total	12	12	12	10	10	10	9	9	9
Average Weekly Net Sales									
Under $250	1			1					
$250 and under $300	2								
300 " " 350	2	2		2			1		
350 " " 400	2			4	2		1	1	
400 " " 450	3	1		1			2		
450 " " 500		5	2		2			1	
500 " " 550	1		1	1	1	1	3	1	
550 " " 600		1	1	1	2		1		
600 " " 650	1	1	3		2	2		2	1
650 " " 700		1			1	3	1		
700 " " 750								2	1
750 " " 800		1	1			4		1	
800 " " 850			2					1	1
850 " " 900									3
900 " " 950									1
950 " " 1,000			2						
1,000 " " 1,050									1
1,050 " " 1,100									1
Total	12	12	12	10	10	10	9	9	9
Selling Cost Per Cent									
Under 3.2						1			1
3.2 and under 3.4			1					1	
3.4 " " 3.6							2	1	1
3.6 " " 3.8						1	2	3	
3.8 " " 4.0	2	1	1	1	1	1			2
4.0 " " 4.2		2	1			1			1
4.2 " " 4.4					3	1	1	2	3
4.4 " " 4.6	2	1	3	2	3	2	2	1	1
4.6 " " 4.8	1	3	1	3	1	2			
4.8 " " 5.0	2	1	1	2			1		
5.0 " " 5.2	1	1	2						
5.2 " " 5.4	1	1	1	1	2	1			
5.4 " " 5.6			1				1		
5.6 " " 5.8									
5.8 " " 6.0		1						1	
6.0 " " 6.2									
6.2 " " 6.4	2	1		1					
6.4 " " 6.6									
6.6 " " 6.8									
6.8 " " 7.0									
7.0 " " 7.2									
7.2 " " 7.4									
7.4 " " 7.6									
7.6 " " 7.8	1								
Total	12	12	12	10	10	10	9	9	9

TABLE 55

EARNINGS, SALES, AND SELLING COSTS OF FULL-TIME EMPLOYEES READY-TO-WEAR DEPARTMENTS

	Size of Store								
	Small			Medium			Large		
	Net Sales Groups								
	Lower	Middle	Upper	Lower	Middle	Upper	Lower	Middle	Upper
Average Weekly Earnings									
$15 and under $16				1					
16 " " 17		1		2			1		
17 " " 18	3	1					1		
18 " " 19	3			2	2		1		
19 " " 20	1			3			1		
20 " " 21	2	1			1		1	1	
21 " " 22	2	1			2			1	
22 " " 23		2			1	1		2	
23 " " 24		1	1			1			
24 " " 25	1			2	2		2		1
25 " " 26		2	3				1	1	
26 " " 27		2	1			1		1	
27 " " 28			2		1	2		1	1
28 " " 29			1			1		1	1
29 " " 30			1			1	1		
30 " " 31		1			1	1			1
31 " " 32									1
32 " " 33									
33 " " 34						1		1	
34 " " 35						1			1
35 " " 36			1						1
36 " " 37									
37 " " 38									
38 " " 39			1						1
39 " " 40			1						
40 " " 41									
41 " " 42									
42 " " 43									
43 " " 44									
44 " " 45									
45 " " 46									1
Total	12	12	12	10	10	10	9	9	9
Average Weekly Net Sales									
Under $200	1								
$200 and under $250	1			1					
250 " " 300	3	1		1					
300 " " 350	1	1		5			2		
350 " " 400	2			1	1		2		
400 " " 450	2	1			1		3		
450 " " 500	1	5	1	2	3			2	
500 " " 550		2	2		2		2		
550 " " 600					1			1	
600 " " 650	1	1	4		2	2		2	
650 " " 700						1		2	1
700 " " 750						1		2	
750 " " 800		1	2			5			1
800 " " 850						1			
850 " " 900			1						1
900 " " 950			1						2
950 " " 1,000			1						2
1,000 " " 1,050									
1,050 " " 1,100									2
Total	12	12	12	10	10	10	9	9	9
Selling Cost Per Cent									
Under 3.0									
3.0 and under 3.2			1			1			2
3.2 " " 3.4						1			2
3.4 " " 3.6									
3.6 " " 3.8						1		2	1
3.8 " " 4.0	1	1	1			1	1	1	2
4.0 " " 4.2	1	1	1		1	3	1	2	
4.2 " " 4.4			3		4	1		1	2
4.4 " " 4.6		1	4		1	1		2	
4.6 " " 4.8		3			2	1		1	
4.8 " " 5.0	2	2	1	1	1				
5.0 " " 5.2	1			3			2		
5.2 " " 5.4		2			1				
5.4 " " 5.6	1	1	1						
5.6 " " 5.8	1			3			2		
5.8 " " 6.0	1								
6.0 " " 6.2		1		1					
6.2 " " 6.4				1			2		
6.4 " " 6.6									
6.6 " " 6.8							1		
6.8 " " 7.0	1								
7.0 " " 7.2	1			1					
7.2 " " 7.4	1								
9.8 " " 10.0	1								
Total	12	12	12	10	10	10	9	9	9

As significant as the earnings thirds is a grouping on the basis of net sales. For this analysis the clerks in each store were classified into three groups according to their average weekly net sales. This classification shows nothing particularly new in regard to earnings. The earnings of the lowest third in sales attainment tend to be about the same in all sizes of stores; the earnings of the middle and upper efficiency groups are highest in large departments.

The net sales follow the same trend. In fact, the middle efficiency group in large stores sell about as much as the upper group in small departments.

The outstanding difference is in the selling cost of the highest efficiency group, which decreases with each level of sales attained and which is especially low in large stores for both the middle and upper efficiency groups. The median selling costs typify the trend.

TABLE 54

MEDIAN SELLING COSTS OF NET SALES THIRDS IN READY-TO-WEAR DEPARTMENTS

	Group Attainment in Net Sales—Selling Cost Per Cent		
	Lower	Middle	Upper
Small Volume Departments...	5.6	4.8	4.4
Middle Volume Departments..	5.7	4.4	4.0
Large Volume Departments...	5.6	4.1	3.7

CHAPTER IX

SEASONAL FACTORS IN COMPENSATION IN READY-TO-WEAR DEPARTMENTS

The analysis of ready-to-wear departments in Chapter VIII is based on averages made in a year, with no attention to seasonal influences. In one respect ready-to-wear merchandising has a less difficult problem than was found in the sale of hosiery. Christmas demand creates less of a peak. Ready-to-wear may be said to have two short cycles within each year, complicated from the point of view of management by a difference in price level for summer and winter apparel. The cycles are not marked by extreme dips or peaks. The first cycle starts from a low point in February, reaches a peak in March and April and then tapers off gradually until August; the fall volume, highest in October, is quite well sustained for about four months.

The seasonality is shown by computing the ratio of the total business of the year done in each month. (There are some difficulties in accounting practice since a few firms using a weekly basis lump five weeks in a period in which others use a calendar month.)

The next problem is to study the way in which these peaks are handled. If regular sales clerks were selling, or could sell, at maximum capacity at all times, seasonal changes in business would have to be met wholly by extra employees, both temporary and part-time, or by inter-selling of transferred and contingent sales clerks. We must, therefore, attempt an analysis of the part of each month's sales made by twelve-months, short-service and part-time clerks.

The twelve-months employees were selling in the same department in each month of the study. This group is identical in numbers and in personnel in every month of the

year. Our full-time employees who did not sell in every month may include new employees, long-service employees who left during the year, and full-time employees out on leave of absence.

To avoid stressing extremes, we use medians for 27 firms which reported the full twelve months. The median indicates the way in which the business of the year was distributed. The highest months were September, October, November, March, and April. Three others, December, May, and June may be called normal months when business done was not far from 8.3 per cent per month. The dull months are February, July and August.

TABLE 56

DISTRIBUTION OF PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 27 READY-TO-WEAR DEPARTMENTS

(All Employees Including Part-Time and Per Diem)

Percentage of Annual Business	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Under 2.0											1	
2.0 and under 3.0						1					2	
3.0 " " 4.0						3				2	10	3
4.0 " " 5.0	1				4	9				3	8	7
5.0 " " 6.0				6	6	5	2	2	2	3	6	6
6.0 " " 7.0	1		1	5	11	5	1	3	3	4		4
7.0 " " 8.0	7	1	1	4	3	4	5	10	11	10		2
8.0 " " 9.0	3	1	6	4	2		7	6	9	2		1
9.0 " " 10.0	7	4	11	5	1		7	5		3		1
10.0 " " 11.0	2	8	2	3			4	1	2			1
11.0 " " 12.0	3	3	4				1					2
12.0 " " 13.0	1	6	1									
13.0 " " 14.0	1	1	1									
14.0 " " 15.0												
15.0 " " 16.0	1	2										
16.0 " " 17.0												
17.0 " " 18.0												
18.0 " " 19.0		1										

Ratio of Business of the Year

Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
9.2	10.9	9.5	8.3	7.2	6.1	9.5	8.9	8.5	8.0	5.1	6.4

The frequency table, locating the percentage of business done by firms in each month, shows that most stores experience about the same changes in monthly volume. Here and there an exception occurs on account of difference in geographical location. In the main, the fluctuations are a merchandising problem, not a local situation.

Earlier in this discussion it was pointed out that annual selling costs were relatively stable in the ready-to-wear departments included in this study. The typical percentage of wages to net sales was 4.4 per cent. An exceptional department was one per cent below 4.4 per cent and one equally unusual was 1.2 per cent above. The ratios of wage to sales in the sale of women's outer apparel tended to be kept somewhere between 4.0 and 4.6 per cent. The monthly percentages display less uniformity. Selling costs vary with different lines of merchandise in the same department. The

TABLE 57

MONTHLY PERCENTAGES OF SELLING COST IN 31 READY-TO-WEAR DEPARTMENTS
(All Employees)

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Total
Straight Salary													
23	3.8	3.2	3.4	3.3	3.8	4.2	3.3	3.4	3.7	3.9	7.2	5.8	3.8
24	2.6	2.9	3.1	4.1	3.6	4.1	3.6	2.9	3.3	3.2	4.8	4.1	3.4
63	3.7	3.7	4.7	4.1	5.4	4.7	5.1	4.3	4.9	4.8	5.3	4.9	4.5
71	3.0	3.0	4.0	3.6	4.7	7.1	3.6	4.9	4.9	4.3	6.4	4.9	4.3
77	3.4	3.9	5.8	3.5	6.1	6.5	4.3	4.5	6.5				4.7
Salary Plus Commission on All Sales													
02	4.3	4.0	4.5	4.8	5.2	5.6	5.3	4.3	4.0	3.9	5.3	4.3	4.5
12	4.4	3.6	4.2	4.3	6.3	5.7	4.0	3.5	4.4	4.2	6.8	4.4	4.4
20	3.5	3.8	4.0	4.5	4.5	4.8	3.0	2.7	3.1	3.8		5.1	3.8
21	3.4	3.1	3.2	3.2	3.2	3.5	3.5	3.2	3.2	3.3	4.8	4.5	3.4
25	3.6	3.1	3.0	3.5	4.0	3.3	3.5	3.5	3.6	3.4	5.2	5.6	3.6
54	4.8	4.3	4.7	5.9	6.6	6.7	5.6	5.0	5.0	4.5	6.0	5.9	5.3
59	4.1	4.1	4.3	4.4	5.3	5.2	4.4	4.4	4.3	4.3	5.4	4.2	4.4
70	6.4	3.8	3.9	4.2	4.7	6.6	4.0	5.7	5.6	5.4	7.3	4.9	4.9
72	4.3	3.7	3.2	4.3	5.2	5.2	3.7	4.4	5.0	4.7	6.3	4.2	4.3
92	4.6	3.8	4.2	3.5	4.4	5.2	3.7	4.4	3.8	4.4	5.1	3.6	4.1
Quota-Bonus													
15	4.6	3.7		5.0	5.8	10.1	5.6	5.1	4.9	5.7	8.2	6.4	5.5
30	3.9	3.5	4.0	4.1	4.1	4.1	3.7	3.7	4.1	4.1	4.5	3.1	3.8
40	4.2	4.3	4.7	4.4	4.5	5.4	4.1	4.3	4.7	5.0	5.9	3.7	4.4
42	5.8	4.3	4.4	4.6	4.7	4.6	3.8	3.9	4.2	4.2	5.1	4.6	4.5
48	3.9	4.9	4.5	4.8	4.0	4.2	3.8	3.7	4.0	4.1	4.7	4.1	4.2
49	3.1	4.4	4.6	4.6	5.1	5.5	3.9	4.6	4.6	5.3	7.2	5.0	4.6
57		3.9	4.0	3.9	4.2	4.5	3.5	3.9					3.9
65	4.9	4.3	4.5	4.7	7.0	7.4	4.3	5.2	5.8	5.7	8.9	6.1	5.4
66	4.1	3.9	6.1	5.1	7.7	5.2	3.7	5.2	4.1	4.6	6.5	4.6	4.9
76	5.1	4.0	4.9	4.1	4.5	5.2	4.3	4.7	4.1	5.8	8.2	4.4	4.6
79	3.6	2.9	3.5	4.1	4.1	4.5	3.6	4.5	4.4	5.4	5.9	4.3	4.0
81	4.6	2.6	5.1	5.1	5.1	4.7	4.8	6.0	8.1	7.3	6.5	7.2	5.1
85	4.0	3.4	3.5	2.7	9.7	4.2	4.4	4.3	5.6	6.1	6.3	4.0	4.6
93	4.3	4.3	4.9	4.8	5.1	5.5	5.2	4.4	4.3	4.6	4.9	4.4	4.8
98	4.4	4.0	4.3	4.2	4.3	4.2	4.2	4.2	4.3	4.4	4.8	4.7	4.3
99	3.7	3.2	3.3	3.7	3.4	3.1	4.1	2.9	2.4	6.0	3.4	3.0	3.4

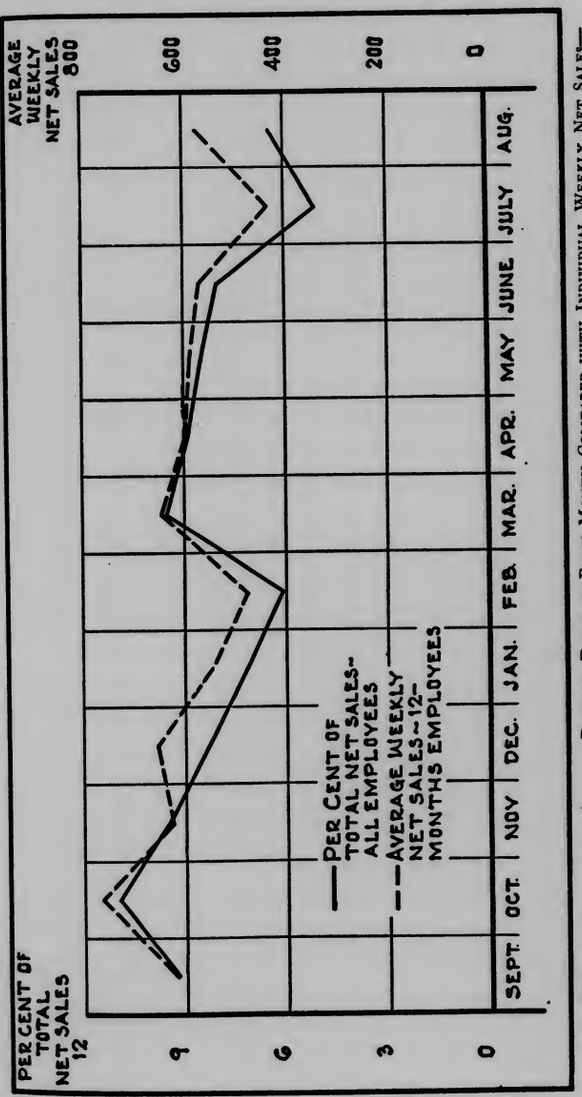

CHART XXI—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH COMPARED WITH INDIVIDUAL WEEKLY NET SALES—27 READY-TO-WEAR DEPARTMENTS

extent to which one grade or another is sold in different seasons affects monthly costs. To this cause of variation is added the considerable change in volume in months of low and high demand. The result is that, to a considerable degree, selling costs fluctuate within the same department inversely with the volume of net sales.

The extent of the fluctuation in selling costs is related to the method of compensation. Since only five of our departments, however, use straight salary it would be unsafe to attempt to state precisely the degree of variation. It is safe to point out that quota methods display the least variation except in the few stores which cumulate bonuses.

The influence of changes in total business upon monthly selling costs depends upon whether the weekly net sales of individuals vary with the ebb and flow in volume. Chart XXI shows that sales have exactly the same irregularities as occur in the business of the entire department.

TABLE 58

FLUCTUATIONS IN BUSINESS AND INDIVIDUAL WEEKLY NET SALES

(27 Ready-to-Wear Departments)

Median	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Percentage of Business Done in the Year....	9.2	10.9	9.5	8.3	7.2	6.1	9.5	8.9	8.5	8.0	5.1	6.4
Average Individual Weekly Net Sales of Identical Employees..	$621	760	623	652	549	476	641	596	589	569	432	571

The summary figures given below are for 27 departments. October, November, and March are busy months; February and July, dull ones. Employees who could sell $760 worth in a week in October were able to average but $432 per week in the month of July.

COMPARISON OF THE MONTHLY FLUCTUATIONS TWELVE-MONTHS EMPLOYEES

If a test can be made of monthly variations according to methods of pay—the question uppermost in the minds of many store managers—it must be made on the basis of identical employees. In ready-to-wear as in hosiery departments the comparison is made for employees who sold in each of the twelve months of this study in the same department.

One is hampered in drawing rigid conclusions concerning general experience because only five stores in our study use a straight salary method in ready-to-wear departments, and these differ in size.

It is safe to say that the average weekly earnings show the greatest monthly fluctuations in quota-bonus stores where earnings are more or less directly dependent upon sales. This group of stores shows a drop in earnings of almost 18 per

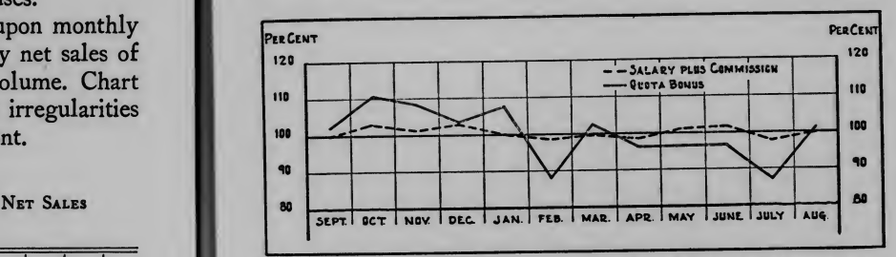

CHART XXII—INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS IN READY-TO-WEAR DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

cent from January to February, the former month being 7 per cent above the average of the year, the latter more than 12 per cent below. Recovery in March brought earnings back to 2 per cent above the year's average. From June to July there is a drop of about 10 per cent and a return in August to about the yearly average.

These variations from one month to the next contrast with the almost constant earnings in salary plus commission stores, where the yearly range varies only from 2.3 per cent below the average of the year in July to 2.4 above in October and December.

Though the income is more variable under quota-bonus payment than under salary plus commission, it is absolutely

TABLE 59

AVERAGE WEEKLY EARNINGS BY METHOD OF PAYMENT IN READY-TO-WEAR DEPARTMENTS

(Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Index Numbers—Base-Average of Year												
Salary Plus Commission	99.5	102.4	101.0	102.4	99.5	98.4	99.5	98.5	100.9	101.8	97.7	100.0
Quota-Bonus	101.9	110.5	108.3	103.0	106.8	87.7	102.0	97.2	97.1	97.1	87.0	101.6
Medians												
Salary Plus Commission	$24.00	24.50	24.50	25.37	23.37	23.63	24.00	22.00	24.00	25.00	24.45	23.00
Quota-Bonus	$24.28	25.96	32.05	24.96	25.33	22.40	27.41	24.19	23.39	23.15	22.64	24.57

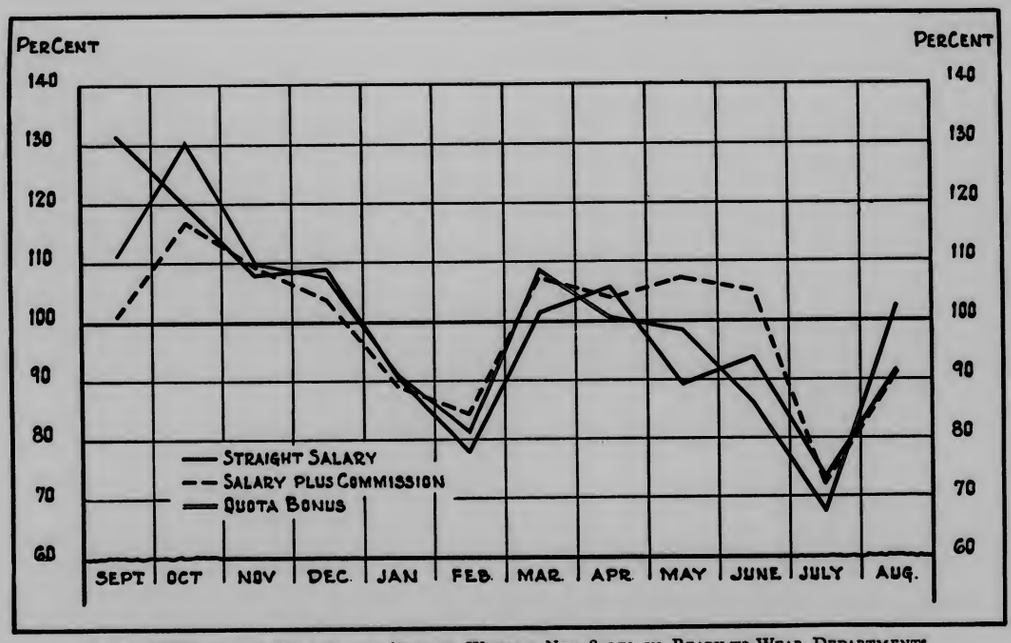

CHART XXIII—INDEX NUMBERS OF AVERAGE WEEKLY NET SALES IN READY-TO-WEAR DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

lower in only five months and the average for the year is about $1.31 more per week.

Weekly Net Sales for Twelve-Months Employees

In the section in which volume of business was discussed (page 146 f) it was pointed out that the ready-to-wear year was characterized by two cycles or seasons with peaks in

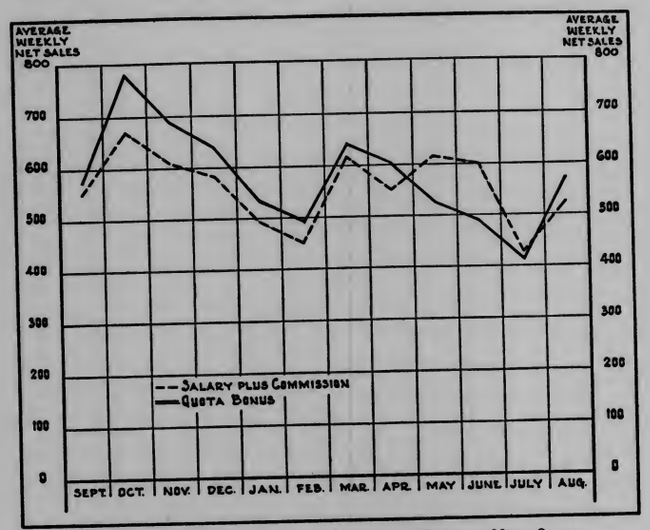

Chart XXIV—Medians of Average Weekly Net Sales in Ready-to-Wear Departments by Method of Payment—Twelve-Months Employees

October and March and low points in February and July. These points are well marked in all methods of payment.

There is a striking difference in this respect in the charts of net sales and earnings. In net sales, the three groups of stores follow parallel courses and show high and low points in the same months. From the peak of net sales attained in October, there is a rather sharp decline until February. This is followed by a gain in March, generally maintained through

TABLE 60

Average Weekly Net Sales by Method of Payment in Ready-to-Wear Departments
(Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Index Numbers—Base-Average of Year												
Straight Salary	131.4	119.6	107.8	108.6	90.4	77.9	101.5	105.9	89.1	93.5	73.1	91.7
Salary Plus Commission	100.9	117.0	109.2	103.7	89.0	84.2	107.2	103.9	107.2	105.0	72.1	91.4
Quota-Bonus	111.0	130.2	109.7	107.5	90.4	81.3	108.8	100.5	98.4	86.0	67.5	102.3
Median												
Salary Plus Commission	$550	669	608	582	494	450	615	550	614	600	427	527
Quota-Bonus	$573	780	690	640	534	494	641	601	526	492	412	571

April. In the sampling of this study, the only divergence in the direction of the three net sales curves is in April to June when the salary plus commission stores were able to maintain the March level whereas the other groups sagged gradually each month.

Without exception, the net sales curves reach their lowest point in July. The regularity noted in earnings in the salary plus commission stores is explained by the small range in monthly net sales compared with those of the other two groups of stores.[1]

The two cycles, which occur in weekly net sales and in ratio of business done, represent something more than a change in the volume of net sales. During the summer months ready-to-wear departments actually serve a large number of customers, more than in winter months, but in the summer seasons the customers are purchasing low-priced merchandise. In the fall months, when net sales are high, fewer women are making purchases than in July, but what they do buy is comparatively high-priced. Doubtless a separation of winter coats from dresses would throw light on the units which are most affected.

Chart XXV, based on the number of transactions, shows that in its general direction of movement the transactions curve is, in some respects, the opposite of the net sales curve. From a low point in November, transactions rise in December, then fall in January and February, when the lowest records for the year are established. The number of transactions reaches its maximum in June, when net sales are sagging toward the low point of July.

The dip in net sales in January and February means that fewer customers are being served and sales clerks are not busy. On the contrary, the dip in July and August means that the number of purchasers to be served exceeds that of any other part of the year. It is a practical question to deter-

[1] The medians to show level of sales are unsatisfactory in salary methods because of the small number of stores. The index was found by combining relatives for each store and is more satisfactory.

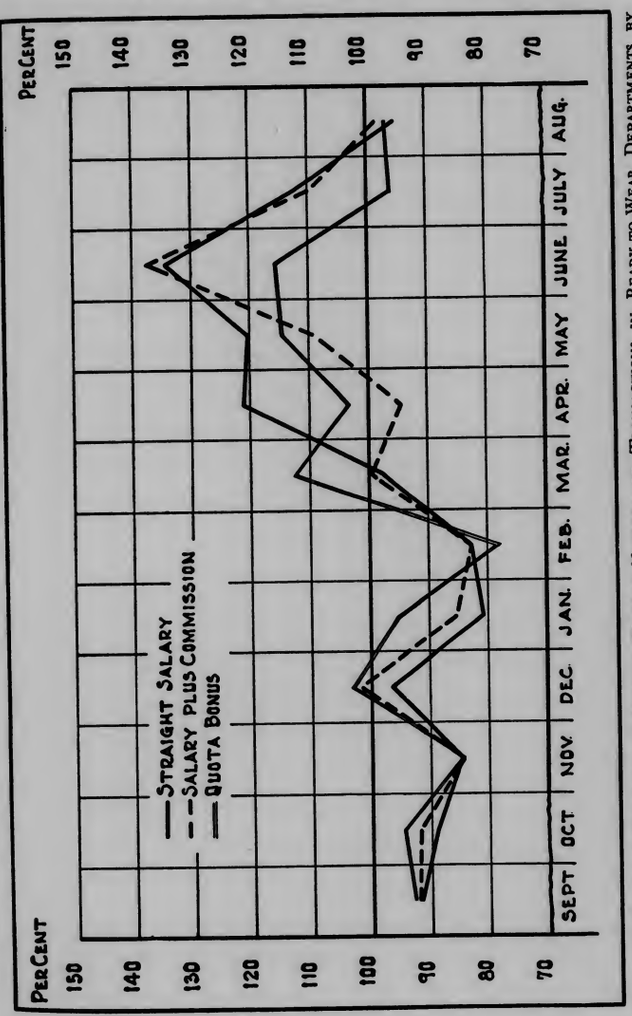

CHART XXV—INDEX NUMBERS OF AVERAGE WEEKLY NUMBER OF TRANSACTIONS IN READY-TO-WEAR DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

TABLE 61

AVERAGE WEEKLY TRANSACTIONS BY METHOD OF PAYMENT IN READY-TO-WEAR DEPARTMENTS

(Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Index Numbers—Base-Average of Year												
Straight Salary	91.4	89.0	84.7	96.6	80.9	82.7	97.8	121.1	120.4	134.4	112.6	95.2
Salary Plus Commission	92.0	91.9	84.1	101.8	85.2	82.7	99.6	94.2	109.1	137.3	109.8	98.6
Quota-Bonus	92.8	94.4	84.2	103.0	95.0	78.0	112.3	103.4	114.6	115.7	96.0	96.9

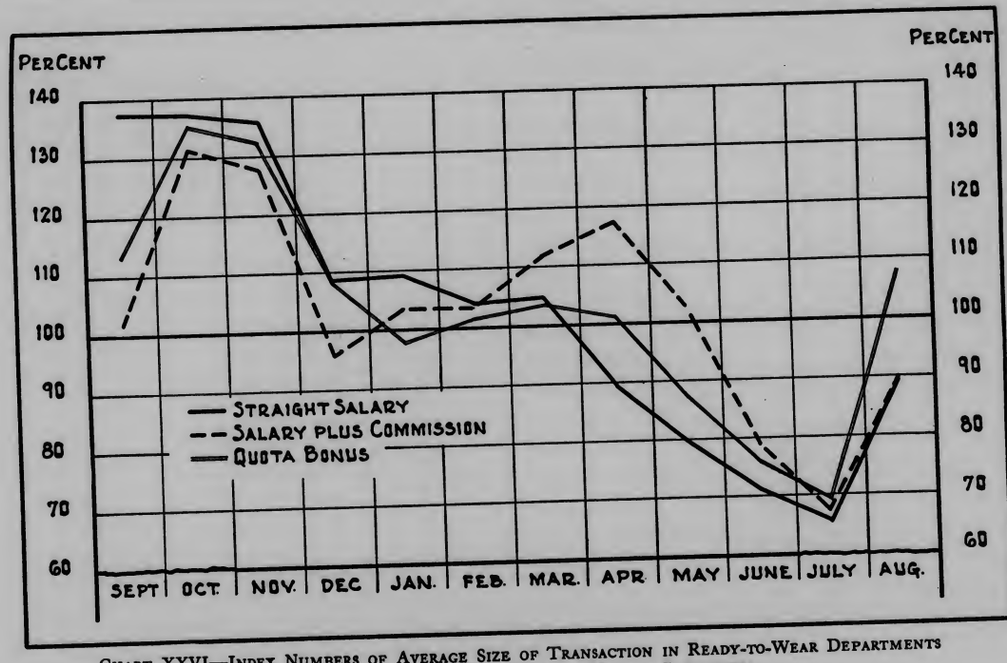

CHART XXVI—INDEX NUMBERS OF AVERAGE SIZE OF TRANSACTION IN READY-TO-WEAR DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

mine whether the sale of summer dresses to more customers involves as much sales effort as the fall sales do. Both number of transactions and net sales increase in March.

These findings are valid under all methods of payment and are clear on Chart XXV.

It is worth observing on the chart that, although quota-bonus stores show the largest monthly fluctuations in average weekly net sales, they show the least fluctuation in average number of transactions per week, and salary plus commission stores, which show the least variation in net sales, show the most in transactions.

Whatever way one studies it, the figures for average size of transaction show more variation than any others in our study. Our twenty-two stores differ from each other in the size of the sales check from stores with an average sale (during the year) of $10 to as much as $56. The seasonality in the type of apparel sold within the year produces a wide variation within the same department. These variations may be best seen by consulting Table 27 in the appendix. A study of the size of the transaction corroborates the conclusion already reached in considering net sales and transactions. It is worth observing here that the quality of merchandise sold in January and February is very close to the average sold throughout the year.

Selling costs are high in January and February when the volume of net sales and the number of transactions are both low. They are still higher in July when a large number of low-priced items must be handled.

In all major swings, the selling cost and the net sales curves move in opposite directions. While net sales are gradually decreasing from October to February, the selling cost is steadily rising. The gain in net sales in March is reflected in a drop in selling costs. While sales drop to the low point of the year in July, selling costs soar to a new peak.

To relate selling costs to sales is measurably easier than to relate them to method of payment. Fluctuations in selling costs are unquestionably least under quota-bonus payment

TABLE 62

AVERAGE SIZE OF TRANSACTIONS BY METHOD OF PAYMENT IN READY-TO-WEAR DEPARTMENTS

(Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Index Numbers—Base-Average of the Year												
Straight Salary	137.3	137.1	135.7	108.6	109.0	104.2	104.8	89.3	79.8	71.0	65.6	89.4
Salary Plus Commission	101.8	131.1	127.8	96.6	103.3	103.2	111.8	117.1	102.8	78.8	67.3	89.6
Quota-Bonus	113.2	135.3	132.3	108.2	97.9	101.3	103.7	101.1	87.6	75.6	69.4	107.9

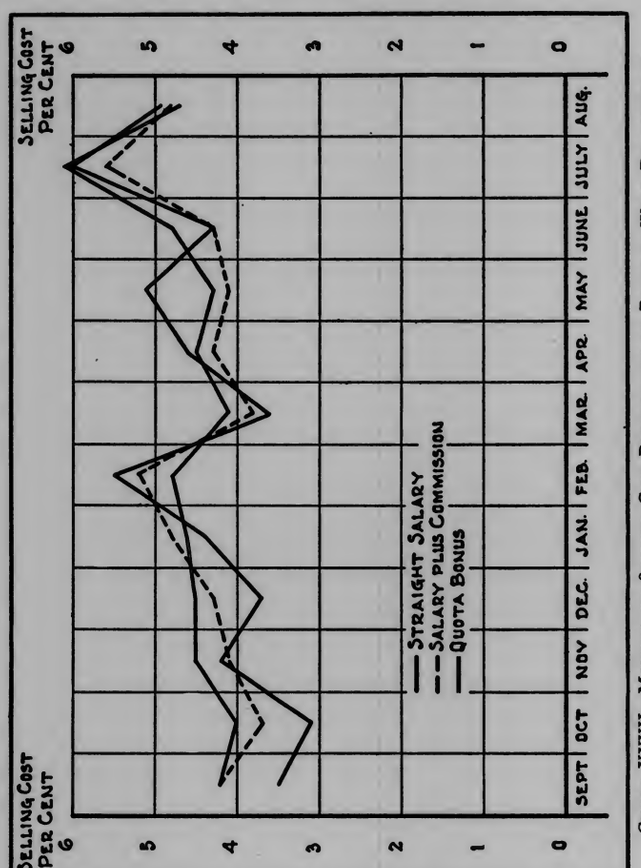

CHART XXVII—MEDIANS OF SELLING COST PERCENTAGES IN READY-TO-WEAR DEPARTMENTS BY METHOD OF PAYMENT—TWELVE-MONTHS EMPLOYEES

and subject to the most extremes under straight salary payment. Beyond this one cannot venture. The curves cross and re-cross each other in the various months. The quota method shows the most controlled costs. Hence they are predictable within close limits. On the other hand, it never touches ratios as low as are shown in the other forms of payment in the busiest months.

TABLE 63

AVERAGE SELLING COST BY METHOD OF PAYMENT IN READY-TO-WEAR DEPARTMENTS

(Twelve-Months Employees)

Method of Payment	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
						Medians						
Straight Salary.....	3.5	3.1	4.2	3.7	4.4	5.5	3.6	4.6	5.1	4.3	6.0	4.9
Salary Plus Commission	4.2	3.7	4.1	4.3	4.8	5.2	3.8	4.3	4.1	4.3	5.6	4.8
Quota-Bonus.....	4.2	4.0	4.5	4.5	4.6	4.8	4.1	4.5	4.3	4.8	6.1	4.7

In passing, one aspect of returns in ready-to-wear deserves attention here. The inquiry of interest to this discussion is

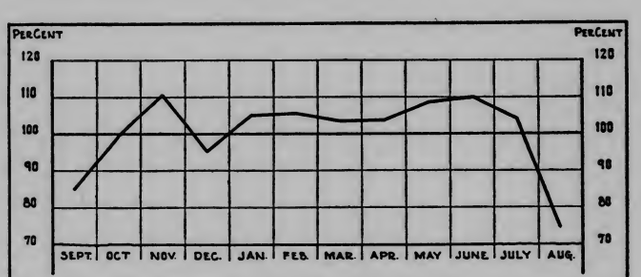

CHART XXVIII—INDEX NUMBERS OF PERCENTAGE OF RETURNS IN READY-TO-WEAR DEPARTMENTS—TWELVE-MONTHS EMPLOYEES

the extent to which the seasonal changes in price of merchandise and number of customers served are reflected in returns. How did October, with high net sales, large unit sales and relatively few customers fare in returns? The answer, so far as our data show, is that October sales are reflected in high

TABLE 64

PERCENTAGE OF RETURNS ON GROSS SALES ALL READY-TO-WEAR DEPARTMENTS

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Index on Average of Year	84.8	99.3	110.4	95.1	105.0	105.5	103.2	103.5	108.7	110.0	104.0	74.4
Median Percentage of Returns	11.0	14.1	15.6	12.4	14.8	15.1	13.7	15.2	15.9	15.6	13.2	9.5

returns in November. In June, however, with lower net sales but more customers than in the autumn, the percentage of returns was about the same as in November. There was no carry-over of July sales in August returns. The percentage of returns on gross sales was about the same on the lower-priced merchandise sold in June as on the higher-priced fall wear. This conclusion is valid whether it is based on relatives or on medians.

SALES OF PART-TIME EMPLOYEES

The sales of twelve-months employees represent only part of the selling and it is essential to determine the proportion of business contributed by clerks working on other schedules. Since the policies of the stores differ materially, it is best to make our statements in terms of definite situations.

The 27 stores with complete reports may be divided into two groups:

(1) 19 which use part-time and per diem employees,
(2) 8 which use no part-time and per diem employees.

In the 19 stores which use part-time clerks, the sales of twelve-months employees account for 25 to 85 per cent of all sales in the departments. In more than half these stores, twelve-months employees sold 40 per cent or more. Eight stores with no part-time clerks had even a wider distribution of the part of the sales made by twelve-months sales persons, a range from 15 per cent to 80 per cent.

The significant fact is that, although the use of part-time employees does decrease the relative importance of twelve-months employees, it does not account for their unimportance in some departments. The firms in which clerks on the roll for twelve months sold the least percentage of the total business had no persons on part-time or per diem schedules. The great variations in the proportion of the business transacted by the full-service employees must be caused by internal conditions.

The employment of part-time and per diem clerks is more

widespread in ready-to-wear than in hosiery. Their sales account for less than 10 per cent in all but two hosiery departments. It is over 10 per cent in eight ready-to-wear departments, but in only two did the volume of sales of clerks working less than the regular schedules exceed 20 per cent. These statements are based on totals for the year. It is also necessary to consider the monthly variations.

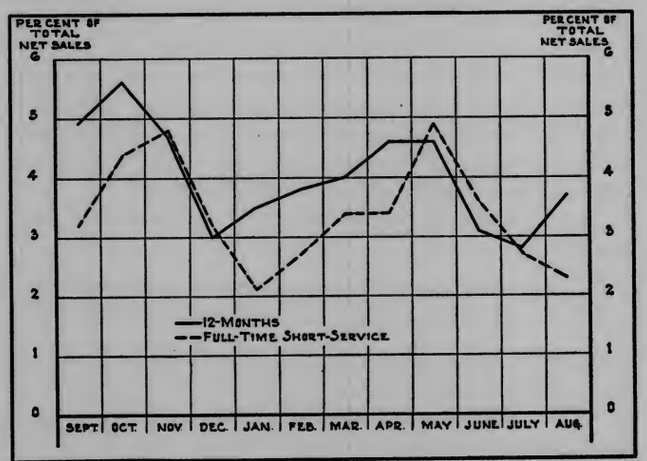

CHART XXIX—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY TWELVE-MONTHS AND FULL-TIME SHORT-SERVICE EMPLOYEES IN READY-TO-WEAR DEPARTMENTS

The proportion of business done by twelve-months and other full-time employees varies in busy and dull months. The relation of the two groups is summarized in the curves on Chart XXIX. The total net sales of each store, exclusive of the sales by contingents, have been subdivided on the basis of the proportion sold in each month by employees on different time schedules.

Charts for ten companies are shown on plates XXX and XXXI. The lower area of the chart represents the sales of employees on the roll of each department for twelve months;

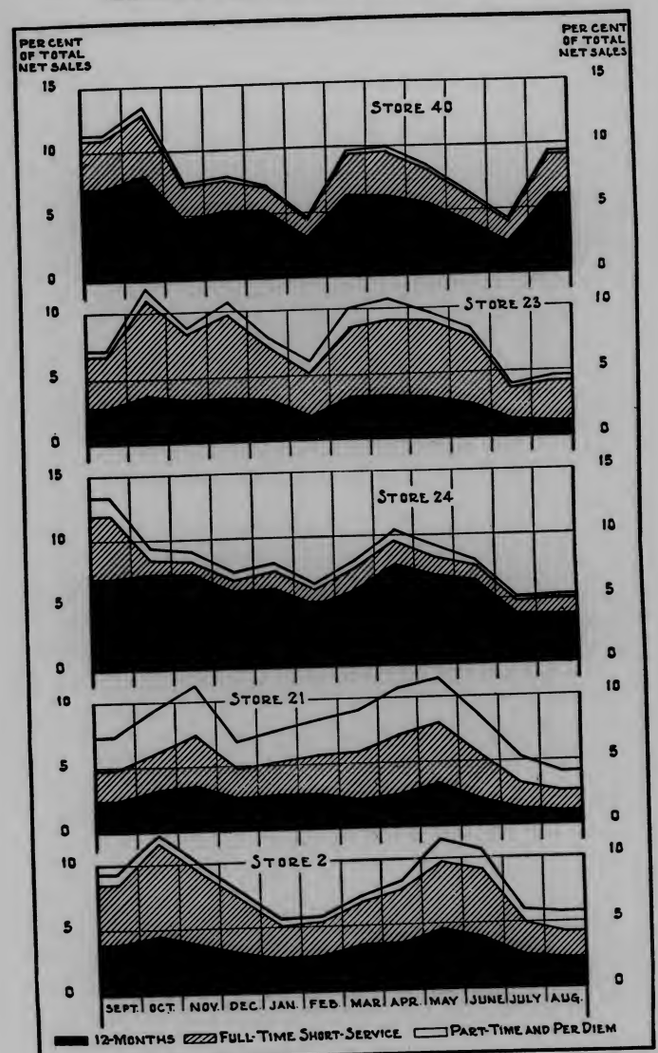

CHART XXX—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN READY-TO-WEAR DEPARTMENTS

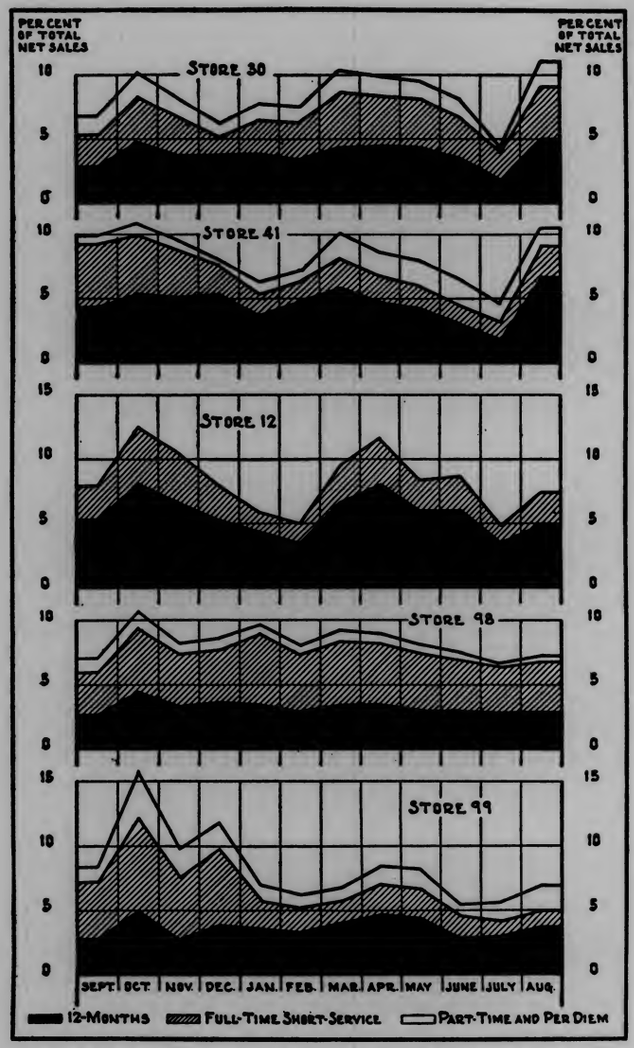

CHART XXXI—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN READY-TO-WEAR DEPARTMENTS

the cross-hatched area in the center shows sales of other full-time employees who were not in the department in all months. In all but one chart there is a third area—the sales of part-time and per diem clerks. The contour of the chart is the curve of total business for which monthly ratios are given in Table 37 in the appendix.

The first plate of five departments can be divided into two sections according to the size of the sales check. The first three stores, 40, 23, and 24, are typical of firms with high unit sales, averaging $32 to $56. The other two departments, 21 and 2, have an average size of sales of $15 to $18.

The most striking contrast between these two groups is with regard to their spring peak. In the stores with the large-sized transaction, it comes in April after a rapid rise from the low point of February. The stores with a smaller sales check reach the height of their spring season in May after a more gradual rise from a low point in December or January. The rate of decline to the low month of July is therefore more abrupt in the stores with the smaller sales check and thus intensifies the problem of adjustment. In other words, the customer who buys high-priced merchandise purchases in the first part of the season; the customer of more modest income waits to see whether prices will be lower later in the season.

The second plate for five other departments presents several different problems. The charts of stores 30 and 41, located in different sections of the country, using different methods of payment and varying in volume, distribute their business in about the same way in the various seasons. The most striking difference between the two departments is the large proportion transacted by the twelve-months employees in store 41. Store 12, in this selection, is an illustration of a firm making no use of part-time employees and making a high percentage of its sales by twelve-months clerks. The two lower charts for stores 98 and 99 afford a contrast in the regularity of monthly sales. In other respects these stores are much alike, being located in the same city and using the

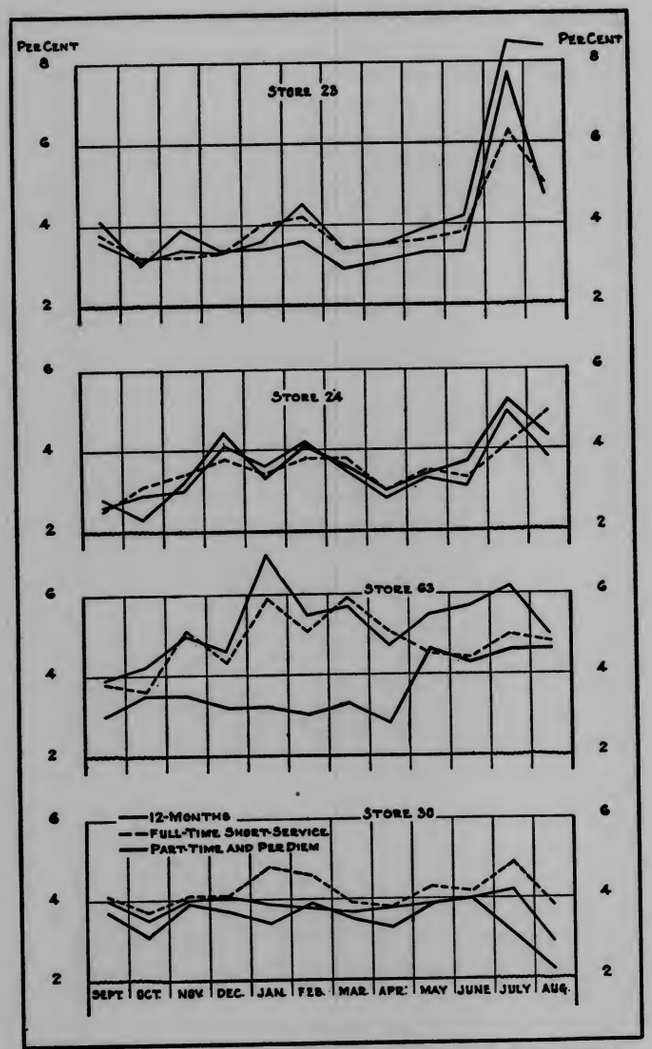

CHART XXXII—MONTHLY SELLING COST PERCENTAGES IN INDIVIDUAL READY-TO-WEAR DEPARTMENTS

same method of payment. Both have rather small unit sales and a large number of transactions. The relative importance of twelve-months employees is about the same in both stores. Store 99 makes more use of part-time employees. The real contrast between the stores rests on the difference in the actual volume of net sales. The one is a large store, the other small. But size alone does not seem to account for the unusual stabilization in 98, since other large stores shown on these charts, such as 40, 23, and 21, have not effected the same degree of stability. The effect of this upon selling cost will be noted later.

MONTHLY SELLING COSTS OF FULL-TIME AND PART-TIME EMPLOYEES

If selling costs are compared on an annual basis for full-time and part-time employees, there are only five departments in which the percentage of wages to sales is not lower for part-time and per diem employees combined than for those working the regular hours of the store. A lower selling cost might be expected for part-time clerks since they are in the store during peak-hours.

Two-thirds of all the stores reporting part-time clerks use them in all twelve months. Except for a rise in selling costs in July, the median selling cost of part-time clerks remained almost constant in the various months. In fact, this group in general shows the least variable costs of any in the department.

The distribution of selling cost is shown in the firms with part-time clerks in all months on Table 65.

The first three sections of Chart XXXII represent selling costs in straight salary stores. The solid line represents twelve-months employees; the broken line is the full-time short-service, the double line is the part-time and per diem selling costs. On the charts for stores 23 and 24, the selling costs of all three groups fluctuate together. In firm 63 the part-time sell at a low level of cost for eight months and for the last four months at a higher level. Firm 70 is the

TABLE 65

DISTRIBUTION OF MONTHLY SELLING COST OF PART-TIME AND PER DIEM SALES CLERKS

(13 Ready-to-Wear Departments Employing Part-Time Clerks in Every Month)

Selling Cost Percentage	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Under 2.5		2	1									1
2.5 and under 3.0	1		1	1	2		1	2	2	1		
3.0 " " 3.5	4	3	1	2	4	3	3	4	2	3	1	2
3.5 " " 4.0	2	2	4	4	1	4	5	4	4	2	3	1
4.0 " " 4.5	4	4	4	3	2	3	3	2	2	6	1	4
4.5 " " 5.0	1		2	1	3	1			2		2	3
5.0 " " 5.5		1		1			1			1	1	2
5.5 and over	1	1		1	1	2		1	1		5	
Total	13	13	13	13	13	13	13	13	13	13	13	13

only case reported of higher costs for part-time than for other clerks among the stores which used part-time employees in each of the twelve months.

In the quota-bonus stores, shown in the last six sections, quite uniform selling costs throughout the year are indicated. The nearest approach in practice to the theoretical control of costs is found in store 98. Since its sales were seen to be stabilized markedly, any method of pay would give uniform monthly costs. The other extreme is store 99 whose variable costs seem to be connected with the irregularity already noted in the volume of sales.

A table of the selling cost of employees on various time schedules in all ready-to-wear departments is given to supplement the findings illustrated in particular stores.

In the first part of this chapter groups of stores were discussed in order to show any general tendencies connected with fluctuations in demand in ready-to-wear merchandising.

This last section, giving specific examples in different departments, may be considered a corrective of the necessity of disregarding local factors in an attempt to point out general tendencies. The differences in individual stores become important in any attempt to apply the general findings.

In Chapter VIII it was shown that the ready-to-wear departments in the study classed as paying salary plus commission on all sales were really using very different rates.

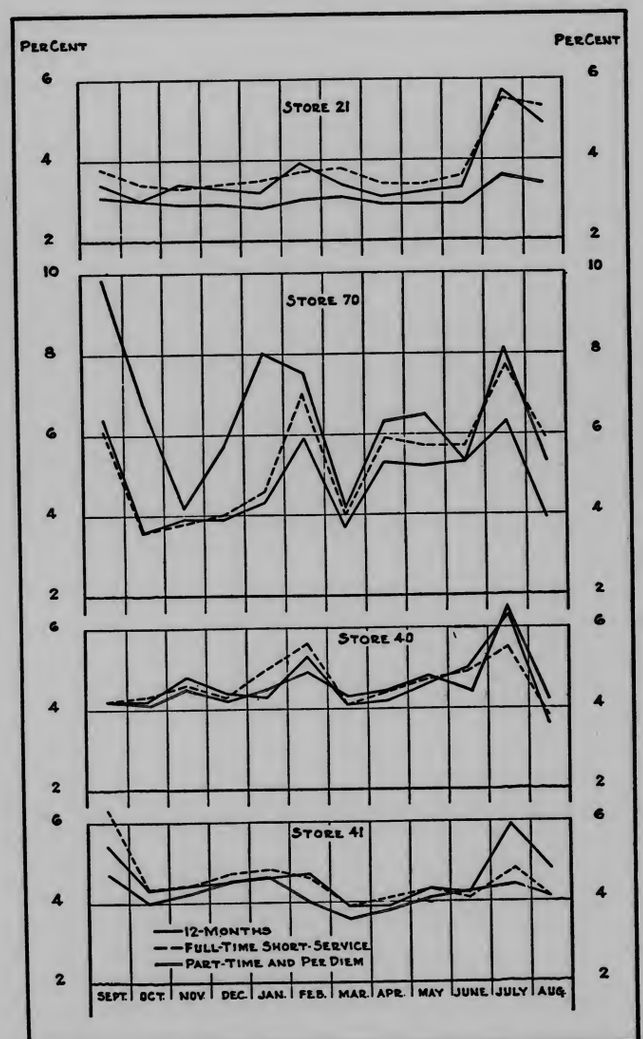

CHART XXXIII—MONTHLY SELLING COST PERCENTAGES IN INDIVIDUAL READY-TO-WEAR DEPARTMENTS

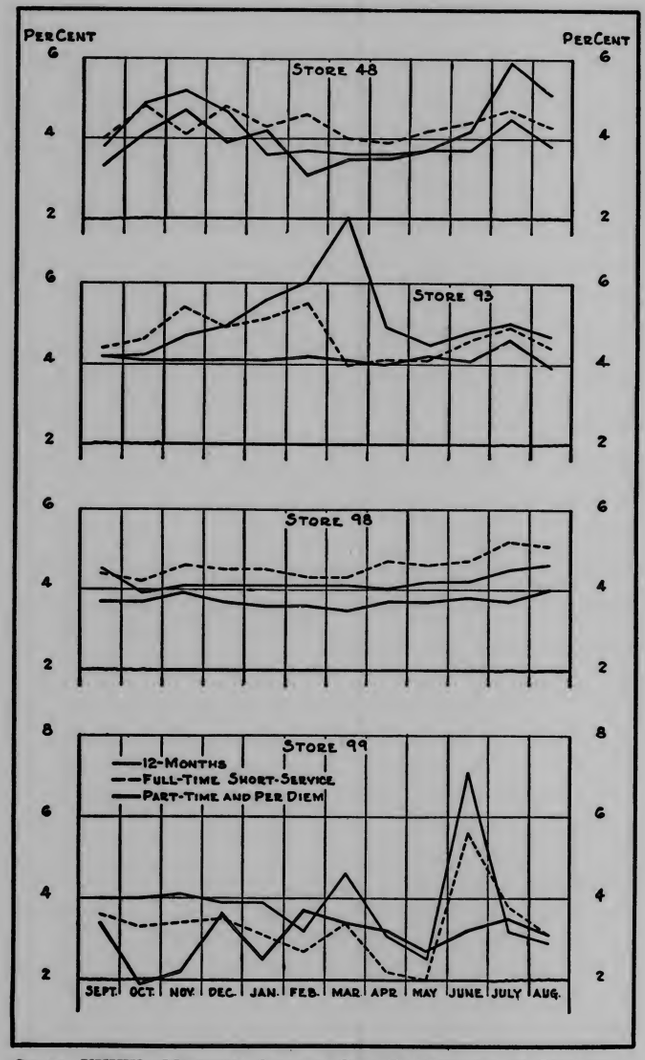

CHART XXXIV—MONTHLY SELLING COST PERCENTAGES IN INDIVIDUAL READY-TO-WEAR DEPARTMENTS

TABLE 66

SELLING COST PERCENTAGES OF EMPLOYEES WORKING ON DIFFERENT TIME SCHEDULES IN 31 READY-TO-WEAR DEPARTMENTS

Store Number	All Employees	Employees Working			
		Full-Time	Twelve-Months	Full-Time Short-Service	Part-Time and Per Diem
02	4.5	4.5	4.3	4.6	4.4
12	4.4	4.4	4.4	4.3	
15	5.5	5.6	5.1	7.8	4.8
20	3.8	3.7	3.8	3.7	
21	3.4	3.6	3.5	3.7	3.0
23	3.8	3.8	4.0	3.7	3.5
24	3.4	3.4	3.4	3.3	3.3
25	3.6	3.6	3.4	3.9	
30	3.8	3.9	3.7	4.1	3.4
40	4.4	4.4	4.4	4.5	4.4
41	4.5	4.6	4.5	4.7	4.1
48	4.2	4.2	4.1	4.3	4.1
49	4.6	4.6	4.7	4.2	4.0
54	5.3	5.3	4.9	6.7	
57	3.9	4.0		4.0	3.2
59	4.4	4.4	4.5	4.4	3.3
63	4.5	4.8	5.1	4.6	3.5
65	5.4	5.4	5.6	4.9	12.7
66	4.9	4.9	4.9	4.8	
70	4.9	4.8	4.5	5.0	5.7
71	4.3	4.3	4.2	4.6	
72	4.3	4.3	4.6	4.2	
76	4.6	4.6	4.5	4.7	7.4
77	4.7	4.7	4.9	4.4	
79	4.0	4.1	4.1	4.0	2.8
81	5.1	5.1	5.2	4.6	
85	4.6	4.6	4.2	4.7	
92	4.1	4.1	4.0	5.0	5.1
93	4.8	4.8	4.9	4.6	4.1
98	4.3	4.4	4.2	4.6	3.7
99	3.4	3.6	3.8	3.3	2.9

Only three of the 10 departments using this form of payment had even the same rate of commission. Such a difference within a single group is enough to show that for all purposes these stores vary in the proportion of the employees' salary which would be expected to be derived from commission. Because of these differences, we have erred on the side of discussing individual stores.

In this chapter the same factors make it difficult to generalize about groups of stores. The twelve-months employees

in the salary plus commission group show quite uniform earnings from month to month. Should one stress, in a summary, the difference between this group and the quota-bonus stores which have more variable earnings but only a minor difference in the annual amount?

The net sales of the various methods of payment fluctuate in about the same way. The curves of the three groups of stores follow each other.

The most important aspect of the findings of this chapter is found in the analysis of transactions in fall and summer months. The finding shows that planning should not be based on net sales alone. The identical employees on the roll in fall and spring months sold more customers in the months which had lowest net sales. This finding should be considered in determining the number of employees needed in the department at different times.

CHAPTER X

COMPENSATION AND SALES IN 18 MEN'S CLOTHING DEPARTMENTS

Some of the stores considered in other chapters of this study do not maintain men's clothing departments. There were 18 departments reported in participating stores. As defined, the merchandise sold includes men's suits and overcoats and excludes men's furnishings and hats as well as boys' clothing.

This section of the study is concerned with the compensation of men sales clerks. The men's wear department differs from others in this study in that (1) more dependence is put upon straight commission methods of payment; (2) it operates with a small number of highly specialized sales persons; and (3) it tends to pay higher earnings than are obtained in other units. The tendency to pay a straight commission in men's clothing departments is evident in the proportion of the various methods of payment in the 18 departments which were studied intensively. In this group there are:

3 departments paying straight salary,
3 paying salary plus commission on all sales,
3 paying by a quota-bonus method,
9 paying straight commission.

One-half of the group are using straight commission.

The three straight salary departments are in stores using this method of payment in all other departmens. (In one of these departments straight commission is paid to a few employees.) A study of salary plus commission on all sales shows that there is more variation in method of payment than the summary classification indicates. The three depart-

ments each use a different rate of commission. One pays a flat 2 per cent on all sales in addition to the salary; another pays 1, 2, 3, and 5 per cent of net sales, classified by price levels of merchandise; the third pays one per cent on all sales.

The three quota-bonus stores pay a higher percentage on sales below the quota than they do on sales above, in this way making allowance for the fact that large sales are usually due to seasonal demand or the advertising of the store—items which are not affected by the individual clerk. These bonus departments all adjust their payments monthly. Sales clerks in one of the quota-bonus departments are paid 4 per cent below quota and 2 per cent above; in another the rate is 4½ per cent below quota and 4 per cent above—the high percentage above quota being an offset for the fact that all deficits for failure to make a quota must be made up; the third department pays 6 per cent on sales below quota and 5 per cent in excess of quota, except in December when the 6 per cent rate is reduced to 5.

Of the nine straight commission departments, four are 5 per cent departments, two pay 4 per cent and two others pay 4 per cent on lower-priced lines and 5 per cent on higher-priced; one pays 3¼ per cent. The statement of the variations in rates of commission shows that it would be very difficult to attribute differences in earnings to the major plan of payment in itself.

Since in analyzing earnings and selling cost we shall frequently refer to the firm number, a tabulation by method of pay is given in the accompanying table.

Before considering other factors, let us attempt to outline the major differences in these 18 departments in average weekly earnings and sales per full-time salesman.

Chart XXXV shows the firms located on the horizontal scale by average weekly earnings in the twelve months ending with August 1929. The distance along the scale shows the spread between weekly earnings in these 18 selling units. The range is from an average of $29.46 in one store

MEN'S CLOTHING DEPARTMENTS
BY METHODS OF WAGE PAYMENT

Straight Salary	Salary Plus Commission on All Sales	Quota-Bonus	Straight Commission	
			Weekly or Monthly Adjustment	Quarterly or Semi-Annual Adjustment
			20[h]	
23	54[b]	49[e]	21[k]	63[r]
			25[k]	
59[a]	70[c]	93[f]	40[m]	66[q]
			41[n]	
77	72[d]	98[g]	48[q]	15[q]

[a] One clerk 5 per cent straight commission.
[b] 2 per cent.
[c] 1 per cent.
[d] 1, 2, 3, 5 per cent according to price class A, B, C, D.
[e] 6 and 5 per cent; in December 5 and 5 per cent.
[f] – and 4 per cent.
[g] 5 and 2 per cent.
[h] 4 per cent.
[k] 4 per cent; 5 on higher priced lines.
[m] 5 per cent; deficits carried until made up.
[n] 3¼ per cent.
[q] 5 per cent.
[r] 4½ per cent.

to $61.10 in another. With one exception, all stores are paying more than $32.00 and one-half pay more than $40.00. The stretches between the location of the firms indicate that the departments could be classified into one group of 8 departments in which earnings average $32.00 to $38.00; a second group of six departments averaging $40.00 to $49.00, and three stores averaging $53.00 to $61.00.

The average weekly net sales which correspond with these earnings are, for graphic purposes, indicated by the length of the vertical bar. The value in sales, represented by the vertical bars, is less than $600 in two firms, between $600 and $800 in nine and above $1,000 in six, one even ranking as high as $1,329 per week.

The typical selling cost in these departments is 5.1 per cent. The percentage of salesman's wages to sales in eight cases was less than 5.1, ranging all the way from 3.5 to 4.7. It was 5.1 per cent in three departments and 5.3 per cent or over in seven departments.

On Chart XXXV the diagonal scale shows the amount

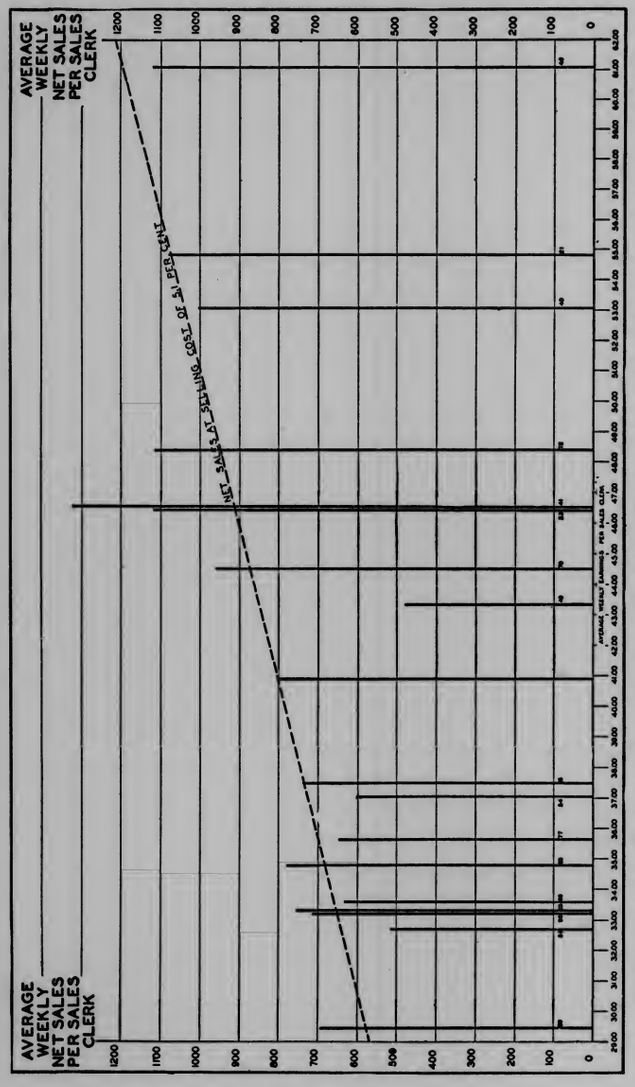

CHART XXXV—AVERAGE WEEKLY EARNINGS AND NET SALES PER EMPLOYEE IN MEN'S CLOTHING DEPARTMENTS IN 18 STORES COMPARED WITH TYPICAL SELLING COST FOR THE GROUP

of net sales per employee which should be made at each earnings level to maintain the median selling cost of the group of departments, which is 5.1 per cent. Departments above the diagonal line have lower selling costs; those below the line have higher costs in proportion to their distance from the line.

From the chart it is evident that (1) the departments with the highest net sales per employee are those a trifle beyond the middle of the earnings scale; (2) a number of firms approach about equally close to the diagonal line in different parts of the earnings scale; (3) there are more high-cost departments in the lower half of the earnings scale than in the upper half.

On the whole, high selling costs are related to low net sales. This fact will be considered in connection with transactions per individual.

A rather interesting problem is presented by considering the relation of selling costs in the straight commission departments to the cost standard which the store set up for the department. In every case the actual cost of full-time employees was above that set by the department. All departments exceeded the amount set by reason of extras which had to be absorbed, either deficits on drawing accounts, unidentified returns, new employees on salary, or special payments in P.M.'s, stims, etc.

It is, perhaps, unnecessary to observe that the rate of commission is not related to the salesman's actual earnings. The firm paying 3¼ per cent on net sales, the lowest rate of commission reported in this sample, is exceeded in weekly earnings by only four departments.

In addition to the methods of payment, three other significant factors affect comparisons of earnings and help to determine the volume of net sales per individual and departmental selling cost. These are (1) the size of the department; (2) the quality of the merchandise; and (3) the average weekly number of transactions per sales clerk.

MEN'S CLOTHING DEPARTMENTS
PAYING A STRAIGHT COMMISSION

Store Number	Cost Set Per Cent	Actual Cost of Selling Per Cent
41	3¼	3.5
20	4.0	4.3
63	4.5	4.4
25	4.0 on low-priced lines 5.0 on high-priced lines	5.1
21	4.0 on low-priced lines 5.0 on high-priced lines	5.1
15	5.0	5.1
40	5.0	5.3
66	5.0	5.3
48	5.0	5.4

On the basis of the annual volume of net sales, the men's clothing departments are grouped in three sizes:

(1) 7 departments with annual net sales of less than $150,000,
(2) 5 departments with annual net sales of $150,000 to $450,000,
(3) 6 departments with annual net sales of $450,000 and over.

How do these differences in size affect selling costs, net sales, and weekly earnings?

The small departments have higher selling costs than either of the larger groups. The median selling cost in the seven small departments is 5.5 per cent, with no department below 4.4 per cent and three of the seven at 6.2 per cent or above. The two larger groups, with one exception, vary from 4.2 to 5.4 per cent. In other words, all departments in the two larger groups have selling costs below the average of the small departments.

In so far as our group is representative and other factors do not enter, this fact would seem to lead to the conclusion that the smallest departments operate at some disadvantage, but that the extremely large departments gain little in selling costs over the middle-sized group.

TABLE 67

DISTRIBUTION OF MEN'S CLOTHING DEPARTMENTS BY SELLING COST AND ANNUAL VOLUME

Selling Cost	Small	Medium	Large
3.5			41
3.6			
3.7			
3.8			
3.9			
4.0			
4.1			
4.2		23	
4.3		20	72
4.4	63		
4.5	93		
4.6			70
4.7		98	
4.8			
4.9			
5.0			
5.1	15		21, 25
5.2			
5.3		66	40
5.4		48	
5.5	77		
5.6			
5.7			
5.8			
5.9			
6.0			
6.1			
6.2	54		
6.3			
6.4	59		
9.1	94		

The volume of average weekly net sales per employee varies directly with the size of the department. The lowest weekly net sales per employee are in small departments, the next in middle-sized, with the exception of two firms with a high average sales check, and the highest in large departments.

Concretely, this means individual weekly net sales of less than $800 in small and medium-sized and more than $950 in large departments.

Obviously, weekly earnings tend to be highest in the large departments.

TABLE 68

DISTRIBUTION OF MEN'S CLOTHING DEPARTMENTS BY AVERAGE WEEKLY NET SALES AND ANNUAL VOLUME

Net Sales	Small	Medium	Large
Under $500	49		
$ 500 and under $ 550	59		
550 " " 600			
600 " " 650	54,77	66	
650 " " 700		20	
700 " " 750	15	98	
750 " " 800	63,93		25
800 " " 850			
850 " " 900			
900 " " 950			
950 " " 1,000			70
1,000 " " 1,050			40
1,050 " " 1,100			21
1,100 " " 1,150		23,48	72
1,150 and over			41

Summarizing the factors connected with size, one finds that the small departments have to pay about the same weekly earnings as the middle-sized departments; that their salespersons make lower weekly net sales and consequently their selling costs are high. The large department can count

TABLE 69

DISTRIBUTION OF MEN'S CLOTHING DEPARTMENTS BY AVERAGE WEEKLY EARNINGS AND ANNUAL VOLUME

Average Weekly Earnings	Small	Medium	Large
Under $32.00		20	
$32.00 and under $34.00	59,63	66,98	
34.00 " " 36.00	93,77		
36.00 " " 38.00	54,15		
38.00 " " 40.00			
40.00 " " 42.00			25
42.00 " " 44.00	49		
44.00 " " 46.00			70
46.00 " " 48.00		23	41
48.00 " " 50.00			72
50.00 " " 52.00			
52.00 " " 54.00			40
54.00 " " 56.00			21
56.00 " " 58.00			
58.00 " " 60.00			
60.00 " " 62.00		48	

upon more net sales per individual, pay higher weekly earnings, and still maintain a lower percentage of selling costs.

The medians of the groups are as follows:

	Selling Cost	Average Weekly Net Sales	Average Weekly Earnings
Small	5.5	$ 646	$35.64
Medium	4.7	711	33.58
Large	4.9	1,043	47.47

THE EFFECT OF QUALITY OF MERCHANDISE

This leads to a consideration of the second major factor, namely, quality of merchandise. If annual volume is disregarded and a grouping made by size of sales check, nine departments with average weekly net sales per employee of less than $775 will constitute a group with annual unit sales of less than $25.00. These departments vary in net sales per employee from $515 to $775 with only one department below $600. The earnings range, with one exception, from $32.70 to $37.49. The second group comprises nine departments with a unit sale of $25.00 to $43.00. The nine departments, with one exception, range from about $800 to over $1,300 in individual average weekly net sales and from $40.00 to $61.00 in average weekly earnings.

With one exception, all the small departments which reported transactions, namely, those with an annual volume of less than $150,000, are included in the group having unit sales of less than $25.00. On the other hand, all the large departments and one of the medium-sized have a unit sale of more than $25.00. The fact that the small departments included in our selection of stores are selling lower-priced merchandise than the group of large stores makes it impossible to attribute such differences as exist in earnings and net sales to size alone. Since the unit sale is not comparable in our stores of different size, one cannot determine whether the size of the selling unit or the price of the merchandise determines the finding in small stores. The number of transactions is, of course, influenced by the size of the sale. For instance, in firms with a sales check of less

than $17.00, individual clerks sell 43 to 56 customers per week. Only two departments with higher unit sales average more than 36 customers.

TABLE 70

SIZE, NUMBER, AND COST OF TRANSACTIONS IN MEN'S CLOTHING DEPARTMENTS

Store Number	Average Size of Transaction	Average Weekly Net Sales	Average Weekly Transactions Per Employee	
			Number	Cost
Firms with Unit Sales of Less Than $25.00				
20	$13.35[a]	$ 693	52[a]	$0.59[a]
98	14.60[b]	711	53[b]	0.62[b]
63	14.95	753	56	0.60
15	16.97	736	43	0.86
66	22.45	632	31	1.09
Firms with Unit Sales of $25.00 and under $40.00				
21	$25.49[c]	$1,080	44[c]	$1.25[c]
49	26.45[c]	476	21[c]	2.10[c]
25	28.75	795	30	1.37
72	28.85[d]	1,113	35[d]	1.32[d]
41	28.99	1,329	49	0.96
70	29.94	958	36	1.24
Firms with Unit Sales of More Than $40.00				
23	$41.08	$1,116	30	$1.57
40	42.29	1,006	27	1.94

[a] November to June and August.
[b] October and December to August.
[c] November to August.
[d] January to August.

From the table one may generalize that departments with a unit sale of less than $20.00 must sell at least 50 customers per week per sales clerk. Those selling less have a high cost per sale. The firms with a unit sale of $25.00 to $30.00 have a high cost unless the individual sales clerk can average 36 to 40 sales per week. Only when one comes to the higher-priced goods of $40.00 or over per sale is it possible to serve as few as 30 customers per week and maintain standard costs per sale.

On Chart XXXVI the size of the sales check is related to the cost per transaction. The departments are arranged by the size of the sales check—the black bars. The cross-hatched bar shows the selling wage bill for the average sale. The arrangement of bars brings out the specific irregularities in the departments. For instance, firms 25 and 72 have about the same size of sales check, but firm 72 averages five customers per week per salesman more than the other, with the result that its cost per sale is lower than in the other store, despite the fact that its earnings are $8.00 per week more.

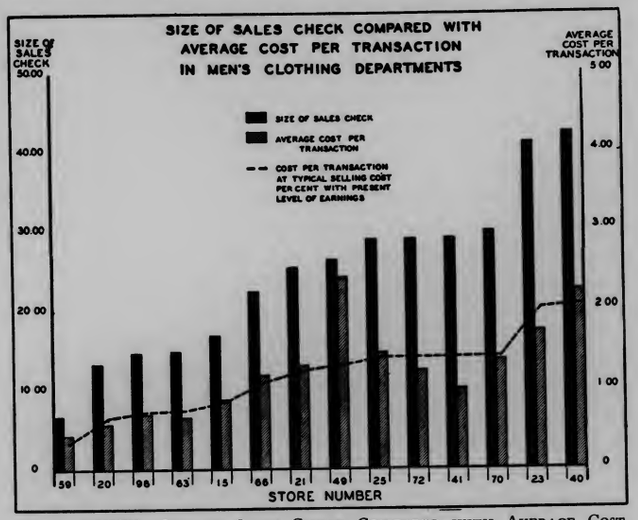

CHART XXXVI—SIZE OF SALES CHECK COMPARED WITH AVERAGE COST PER TRANSACTION IN MEN'S CLOTHING DEPARTMENTS

It is not implied that firms can, at will, sell more or fewer customers, but where they cannot, the number of sales clerks must be related to the amount of business to be done.

From the analysis of costs per transaction, one may generalize that to maintain selling costs at the competitive level of 5.1 per cent it would be necessary for salesmen to average about eight customers per day in departments where the unit sale is less than $22.00, at least six per day if unit sales are $25.00 to $30.00, and five per day in selling higher-priced clothing.

In terms of these findings the high cost of Firm 48 cannot be explained because its transactions were not given. It has unusually high earnings and could maintain a wage level above others in the group if its earnings were reduced to $57 so as to bring its costs in line with the average. Firms 77 and 54 did not report transactions; consequently information is lacking to judge their sales. Both firms had costs above five per cent in all but a few months.

Firm 59 can be explained since its sales check of $6.71 indicates a high proportion of sales other than men's suits and coats. This fact is also borne out by its high number of transactions.

Firm 49 has a very different problem. It has a sales check as large as most of the largest departments in our group, but its employees are making an average of only 21 sales per week, or a little over three a day. It has, therefore, the highest cost per sale of all the departments in the study. In other words, it costs $2.10 in wage bill to sell $26.45 in net sales. Over and above these figures, its returns are 9.6 per cent, an unusually high figure for men's wear.

The analysis of the effect of annual volume and size and number of transactions makes it clear that comparisons of the success of stores in the operation of men's clothing departments can be made only after careful selection of groups of comparable units. Our findings are illustrative of individual situations. They should not be regarded as general conclusions. From this analysis, however, it is evident that the quality of the merchandise is of more influence than the method of compensation in determining standards of operation and selling costs.

Variations within the Departments

Like all occupational figures, the records of sales clerks show variations in the output and earnings of employees within the same department.

Since some of the men's clothing departments have a small sales force, one would not expect an extreme range in earnings. The range, however, is not wholly a matter of the number of employees. For instance, in Firm 48, a medium-sized department, the lowest weekly earnings for any employee were $53.51, the highest, $66.58; one-fourth of the sales clerks received $53.51 to $56.13; another fourth, between $56.13 and $57.00; another fourth, between $57.00 and $63.38, and the upper fourth, between $63.38 and $66.58. This is a very unusual case of balance within a department. The employees are very close to each other in attainment and in spending ability. Such a balance, wherever attainable by careful selection, makes for coöperation. Most firms have a greater variation within their lower and upper quarter than is found here in the whole group.

The extreme limits of variations in earnings in each of the 18 departments are represented by the length of the bars on the left section of Chart XXXVII.

Assuming that the outer limits are of little significance, the wide differences between the lower and upper halves are stressed on Chart XXXVII by a line across all bars to show the medians. One-half of the salesmen lowest in earnings are below the median line; the highest half in earnings are above.

There were only three stores in which there were any full-time salesmen of men's clothing earning less than $20.00 per week. In over half of the stores, the lowest paid sales clerk in this department received more than $25.00 per week. Eight had no employee earning less than $30.00 and in one store the lowest average weekly wage was $53.00.

The distribution of earnings is given on Table 72. For

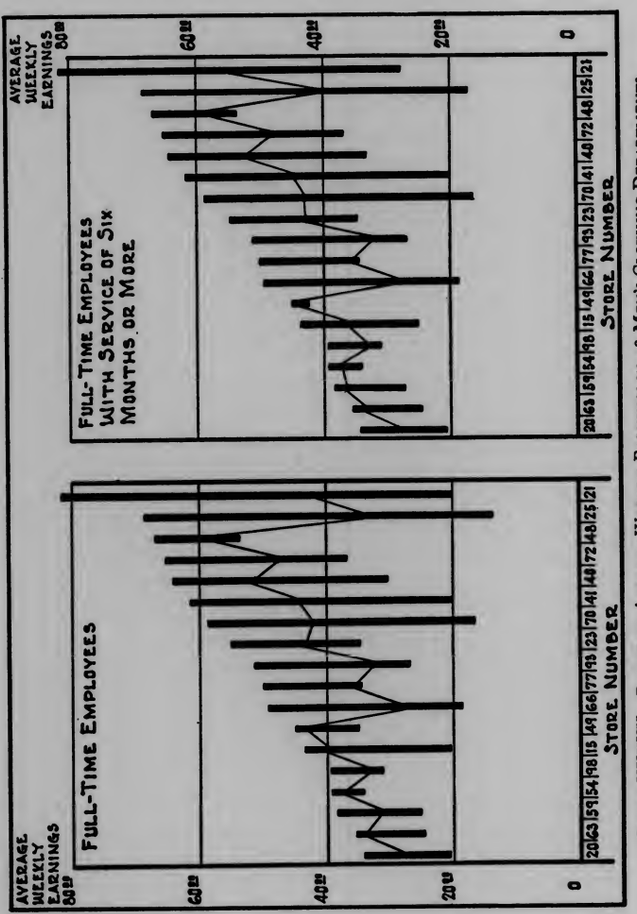

CHART XXXVII—RANGE OF AVERAGE WEEKLY EARNINGS IN 18 MEN'S CLOTHING DEPARTMENTS

convenience the earnings at which are located one-fourth, one-half, and three-fourths of the salesmen are summarized in frequencies grouped by $5.00 intervals. The summary shows that three-fourths of the employees earned $40.00 or over in only three departments, one-half earned $40.00 or more in eight departments, and one-fourth in nine departments. At the top of the earnings scale, in one store the highest-paid clerk received over $80.00 per week. In over half of the stores the highest average weekly earnings of any employee were in excess of $50.00.

TABLE 71

MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY EARNINGS IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
15	$37.49	$39.63	$32.13	$43.25	$20.52	$43.81
20	29.46	28.09	23.00	30.00	20.67	34.08
21	54.81	41.26	29.00	54.50	20.02	81.55
23	46.41	42.86	39.38	49.13	34.89	54.97
25	40.91	34.60	26.25	41.63	13.54	68.22
40	53.07	51.40	45.00	61.00	30.12	64.26
41	46.54	44.10	38.38	51.42	20.03	61.20
48	61.10	57.00	56.13	63.38	53.51	66.58
49	43.34	42.61	†	†	35.00	45.07
54	37.05	36.76	*	*	34.38	39.13
59	32.70	31.75	26.00	37.00	25.02	38.48
63	33.33	33.47	25.00	35.33	24.62	35.50
66	33.58	28.25	23.50	30.50	18.83	49.74
70	44.52	42.10	35.25	50.17	16.66	58.84
72	48.40	47.67	43.13	52.38	36.78	65.18
77	35.64	35.26	35.00	36.00	34.57	50.00
93	34.80	32.61	26.42	34.38	26.70	51.01
98	33.23	33.44	32.13	33.58	31.14	39.36

* Two men only. † Three men only.

There is more variation in the average weekly earnings of sales clerks in the men's ready-to-wear departments using the same method of compensation than there is between the averages of the different methods of pay. For example, within the straight commission group, the lowest-paid sales clerk in firm 48 receives more than the highest-paid sales clerk in firms 15, 20, 63 and 66.

TABLE 72

DISTRIBUTION OF MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY EARNINGS IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Average Weekly Earnings	Minimum	Lower Quartile	Median	Upper Quartile	Maximum
Under $15.00	1				
$15.00 and under $20.00	2				
20.00 " " 25.00	5	2			
25.00 " " 30.00	2	5	2		
30.00 " " 35.00	5	2	5	4	1
35.00 " " 40.00	2	4	3	3	4
40.00 " " 45.00		1	5	2	1
45.00 " " 50.00		1	1	1	2
50.00 " " 55.00	1		1	4	3
55.00 " " 60.00		1	1		1
60.00 " " 65.00				2	2
65.00 " " 70.00					3
70.00 " " 75.00					
75.00 " " 80.00					
80.00 and over					1

On the right of Chart XXXVII, showing the dispersion in average weekly earnings within departments, there is a correction for any exaggeration occasioned by the inclusion of short-service employees. Salesmen of men's clothing normally have records of a considerable length. Therefore, in this department all employees of less than six months' experience were excluded, though three months was used in other departments. The omission changed none of the upper limits. The lower limit of weekly earnings was raised in five firms (21, 25, 40, 49 and 59), in two cases substantially. This fact indicates that the range is not due primarily to short-service clerks.

A companion chart to that showing variations in earnings is given for net sales. The minimum sales of any employee are as high as $500 per week in one-half the departments, but in only one unusual case is the minimum as high as $700. This is the firm which has been cited as showing a compact range in earnings. There is no store in which the upper fourth of the employees are not selling at least $550 per week and in seven departments they sell more than

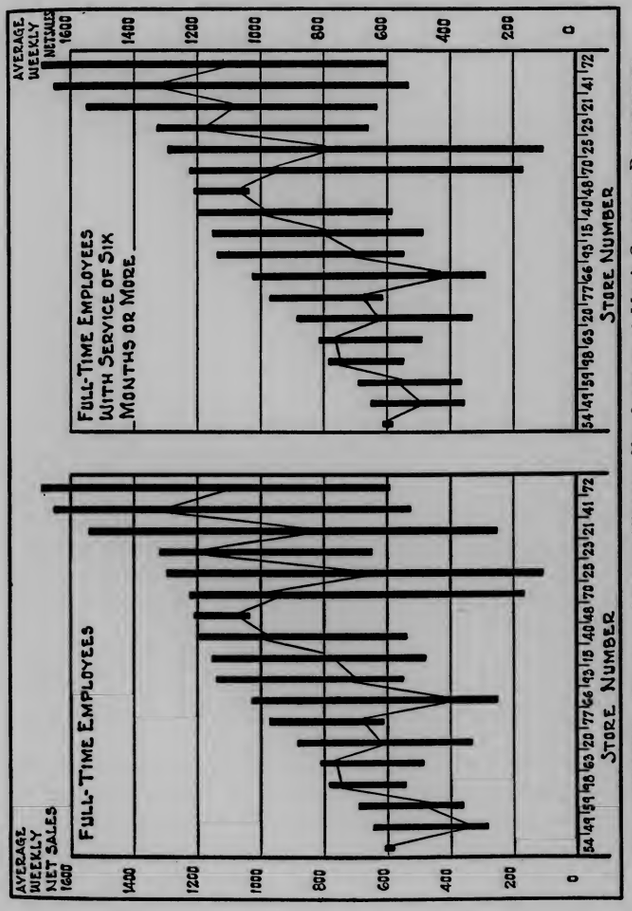

CHART XXXVIII—RANGE OF AVERAGE WEEKLY NET SALES IN 18 MEN'S CLOTHING DEPARTMENTS

TABLE 73

MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY NET SALES IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Lower Quartile	Upper Quartile	Minimum	Maximum
15	$ 736	$ 762	$ 706	$ 819	$ 481	$1,154
20	693	631	450	700	332	885
21	1,080	885	675	1,100	259	1,541
23	1,116	1,164	769	1,304	658	1,320
25	795	694	508	875	110	1,290
40	1,006	984	900	1,160	539	1,195
41	1,329	1,280	1,169	1,504	531	1,648
48	1,123	1,049	1,036	1,119	1,036	1,206
49	476	359	†	†	283	647
54	600	598	*	*	581	614
59	515	469	368	600	368	690
63	753	766	500	810	489	810
66	632	427	313	563	255	1,026
70	958	951	658	1,063	171	1,218
72	1,113	1,111	856	1,179	598	1,693
77	646	672	617	700	616	974
93	775	701	556	819	547	1,137
98	711	750	556	772	542	780

* Two men only. † Three men only.

$1,000. Among the employees who sold the most there is an even wider variation than was indicated for the minimum sellers. One-half our departments had a maximum of more than $1,100 and three stores more than $1,500.

These ranges are so slightly reduced by omitting the six-months employees, except in the cases cited in connection with earnings, that the right section of Chart XXXVIII is quite similar to that of all employees.

Logically, attention should next be given to differences in selling cost within departments in connection with variations in weekly net sales and earnings within the same departments. These are especially important since employees in the same department have selling costs as low as two or three per cent and others as high as 10 or 12 per cent. These variations are given more attention in the section on the relation of earnings to efficiency. The variations are here indicated by showing the minimum, median, and maximum percentage of costs reported for each department.

TABLE 74

DISTRIBUTION OF MEDIANS, QUARTILES, AND RANGE OF AVERAGE WEEKLY NET SALES IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Average Weekly Net Sales	Minimum	Lower Quartile	Median	Upper Quartile	Maximum
$ 100 and under $ 150	1				
150 " " 200	1				
200 " " 250					
250 " " 300	3				
300 " " 350	1	1			
350 " " 400	1	1	1		
400 " " 450			1		
450 " " 500	2	1	1		
500 " " 550	4	2			
550 " " 600	2	2	1	1	
600 " " 650	1	1	1	1	2
650 " " 700	1	2	2		1
700 " " 750		1	1	2	
750 " " 800		1	3	1	1
800 " " 850				3	1
850 " " 900		1	1	1	1
900 " " 950		1			
950 " " 1,000			2		1
1,000 " " 1,050	1	1	1		1
1,050 " " 1,100				1	
1,100 " " 1,150			1	2	1
1,150 " " 1,200		1	1	2	2
1,200 " " 1,250					2
1,250 " " 1,300			1		1
1,300 " " 1,350				1	1
1,350 " " 1,400					
1,400 " " 1,450					
1,450 " " 1,500					
1,500 " " 1,550				1	1
1,550 and over					2*

* $1,648, $1,693.

The discussion of variations within departments shows that there is a wide difference in the sales and earnings of individual employees. The disparity cannot be attributed to the sales of short-service employees working only in busy periods but is due to actual differences among the long-service employees themselves. The next problem is to relate the sales to earnings. For this purpose, salesmen are classified into three earnings groups within each department and the net sales and transactions of each group shown separately. This procedure cannot be followed in small depart-

TABLE 75

MEDIANS AND RANGE OF SELLING COSTS IN 18 MEN'S CLOTHING DEPARTMENTS

(Full-Time Employees)

Store Number	Arithmetic Average	Median	Minimum	Maximum
20	4.3	4.5	3.7	6.9
66	5.3	6.4	4.8	11.2
59	6.4	6.7	5.3	7.4
93	4.5	4.6	4.2	4.9
98	4.7	4.4	4.3	7.3
63	4.4	4.4	4.4	5.0
25	5.1	5.1	3.6	16.7
77	5.5	5.2	5.0	5.8
54	6.2	6.2	5.9	6.4
15	5.1	5.3	1.8	8.2
21	5.1	5.0	3.4	10.2
70	4.6	4.6	4.1	9.7
49	9.1	12.4	6.6	12.6
23	4.2	4.2	3.7	5.6
41	3.5	3.4	3.3	4.5
72	4.3	4.4	3.3	6.5
40	5.3	5.3	5.1	5.7
48	5.4	5.4	5.2	5.9

TABLE 76

COMPENSATION AND SALES IN MEN'S CLOTHING DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $150,000

(Full-Time Employees)

	Straight Salary		Salary Plus Commission	Quota-Bonus		Straight Commission	
	Store No. 77	Store No. 59	Store No. 54	Store No. 49	Store No. 93	Store No. 63	Store No. 15
All Full-Time Employees							
Average weekly earnings per employee	$35.64	32.70	37.05	43.34	34.80	33.33	37.49
Average weekly net sales per employee	$646	515	600	476	775	753	736
Average weekly number transactions per employee		77		21*		56	43
Selling cost per cent	5.5	6.4	6.2	9.1	4.5	4.4	5.1
Average sales check		$6.71		26.45*		14.95	16.97
Average selling cost per sales check		$ 0.43		2.10*		0.60	0.86
Percentage of returns	3.7		4.8	9.6		9.4	
Twelve-Months Employees							
Average weekly earnings per employee	$35.04	33.90	39.13		33.70	35.36	37.99
Average weekly net sales per employee	$631	535	615		765	807	795
Average weekly number transactions per employee		77				57	46
Selling cost per cent	5.6	6.3	6.4		4.4	4.4	4.8
Average sales check		$6.96				15.69	17.39
Average selling cost per sales check		$0.44				0.62	0.83
Percentage of returns	3.9		6.5			9.2	

* November to August.

ments where the number of employees is too small to make the comparison. For this size of department we can merely contrast the work of employees on the roll for the whole twelve months with the total for the department. In the main, the figures for all full-time and for twelve-months employees differ little and we use the record of the larger group of full-time sales clerks for comment. In this group, weekly earnings range from $32.70 to $43.34; weekly net sales, from $476 to $775; selling costs, from 4.4 per cent to 9.1 per cent.

The high selling costs of three departments may be explained either by the number of transactions or the size of the sales check. Firm 49, with a selling cost of 9.1 per cent, is averaging only 21 sales a week per man, a trifle over 3 a day. Each sale, therefore, costs $2.10. Some of the loss in sales is due to a high percentage of returns, 9.6 per cent. If the showing represents a usual business year, one would question whether the department is not over-manned.

Firm 59 is selling a large amount of merchandise other than suits, coats, and overcoats and has a small sales check. It is probable that this department is not as far out of line with the others in costs as it appears. Within the small-sized departments there are significant contrasts among stores.

With the exception of one firm which is selling high-priced merchandise, the unit sale in the small and medium-sized departments is less than $27.00. There is not a marked difference between the sales results shown by the employees who worked in each of the twelve months and the total group of full-time employees.

There is a difference within the departments between the different earnings groups. In the main, the most effective selling is done by the upper third in earnings. That is to say, the highest-paid employees have higher weekly sales, serve more customers, and have a higher unit sale. Judged by their selling cost, their higher earnings are more than offset by selling effectiveness. Firm 98 has a high-cost, upper wage group; firm 66, a high-cost, lower wage group.

TABLE 77

COMPENSATION AND SALES IN MEN'S CLOTHING DEPARTMENTS WITH ANNUAL NET SALES OF $150,000 AND LESS THAN $450,000

(Full-Time, Twelve-Months, and Earnings Thirds)

	Straight Salary	Quota-Bonus	Straight Commission		
	Store No. 23	Store No. 98	Store No. 66	Store No. 48	Store No. 20
All Full-Time Employees					
Average weekly earnings per employee	$46.41	33.23	33.58	61.10	29.46
Average weekly net sales per employee	$1,116	711	632	1,123	603
Average weekly number transactions per employee	30	53	31		52
Selling cost per cent	4.2	4.7	5.3	5.4	4.3
Average sales check	$41.08	14.60	22.45		13.35
Average selling cost per sales check	$1.57	0.62	1.09		0.59
Percentage of returns	8.4	8.6	8.2	8.2	2.0
Twelve-Months Employees					
Average weekly earnings per employee	$47.59	32.78	36.03	64.20	29.93
Average weekly net sales per employee	$1,147	723	702	1,218	715
Average weekly number transactions per employee	31	53	34		47
Selling cost per cent	4.1	4.5	5.1	5.3	4.2
Average sales check	$40.97	14.79	22.47		15.31
Average selling cost per sales check	$1.55	0.62	1.05		0.67
Percentage of returns	8.6	8.5	8.6	10.3	2.0
Lower Earnings Third					
Average weekly earnings per employee	$30.16	32.02	23.23	53.51	26.75
Average weekly net sales per employee	$912	667	362	1,036	593
Average weekly number transactions per employee	30	53	18		55
Selling cost per cent	4.3	4.8	6.4	5.2	4.5
Average sales check	$34.33	13.49	22.03		10.80
Average selling cost per sales check	$1.32	0.60	1.33		0.51
Percentage of returns	10.1	8.1	6.3	6.3	1.8
Middle Earnings Third					
Average weekly earnings per employee	$45.19	33.52	30.46	56.77	28.85
Average weekly net sales per employee	$1,061	778	552	1,046	628
Average weekly number transactions per employee	28	53	27		41
Selling cost per cent	4.3	4.3	5.5	5.4	4.6
Average sales check	$40.44	16.06	22.11		15.54
Average selling cost per sales check	$1.59	0.63	1.13		0.73
Percentage of returns	7.8	8.8	7.2	7.4	1.7
Upper Earnings Third					
Average weekly earnings per employee	$52.79	39.36	44.98	64.86	33.36
Average weekly net sales per employee	$1,318	542	929	1,174	878
Average weekly number transactions per employee	31	53	45		60
Selling cost per cent	4.0	7.3	4.8	5.5	3.8
Average sales check	$46.79	11.87	22.71		14.70
Average selling cost per sales check	$1.70	0.76	1.00		0.59
Percentage of returns	8.2	10.2	9.2	10.0	2.5

The weekly earnings of all full-time employees in the middle-sized departments range from $29.46 to $61.10; net sales, from $632 to $1,123, and selling costs, from 4.2 per cent to 5.4 per cent.

Two departments, firms 20 and 98, with an average sales check of less than $15.00, though using different compensation methods, have about the same number of transactions, 52 and 53 per week. Their net sales are rather

alike. The difference in selling costs is due almost entirely to a $4.00 per week difference in weekly earnings.

Since most stores fail to record the number of transactions per employee, we digress to call attention to the value of this item by contrasting firm 66 with 63 on the previous table. Both firms are using the straight commission method of payment. The average weekly earnings are about the same—$33.33 and $33.58—but salesmen in firm 63 sold $121 per week more than those in 66. The advantage in the size of the transaction was $7.50 in favor of firm 66, but its employees sold only five customers a day in contrast to the nine customers averaged in firm 63. The result was that each sale of $22.45 in firm 66 cost $1.09 in sales clerk's wages. A sale of the same amount in the other store would have cost $0.88 or a difference of $0.21 per sale. From the point of view of locating the reason for a cost of 5.3 per cent in the men's clothing department in firm 66 and 4.4 per cent in firm 63, the number of transactions made by each clerk is a better starting point than the net sales. In fact, there was not a single employee in firm 63 who served less than an average of 48 customers per week, while more than half the sales persons in firm 66 served less than 19 customers. This is as far as our figures can go. Seasonal differences will be noted elsewhere.

The six large departments offer, from the point of view of merchandise, a better opportunity for comparisons than those of small or medium volume. Five of the departments have a sales check which differs only from $25.49 to $29.94. In this respect they should be compared with firm 49 in the departments of less than $150,000, just as firm 40, the last of the large group, and 23 in the middle-sized are comparable.

In weekly earnings, the full-time sales clerks average $40.91 to $54.81 or a group average of about $47.00.

Within each department, the lower earnings groups had net sales of less than the average for each department, a

lower unit sale, but selling costs higher in three departments, lower in two, and identical in one other.

The middle wage group seldom attained net sales as high as the average of the department, but since their earnings were intermediate, their selling costs were as low as or lower than the average of the department in all cases.

The upper third in weekly earnings had a larger unit sale, higher net sales and slightly more customers per week—except in firm 21 to be explained later—than the averages attained by the several departments, but their selling costs, since most are paid a straight commission, are as high as or higher than the departmental cost, except in the case of one department paying salary plus a commission on all sales.

In the low earnings group, these findings indicate that a considerable number of lower-paid employees failed to make their drawing accounts. Where a higher commission is paid on higher-priced lines, one might expect more sales of this grade of merchandise by one group than by another and for this reason the selling cost of the upper third in earnings would be high in stores paying a commission graded for price, though the influence is actually evident, if at all, only in the case of firm 21. In these large departments, if the totals of all employees are compared, average weekly net sales vary from $795 in one to $1,329 in another; or, stated more specifically, two departments are below $1,000, two between $1,000 and $1,100, and two above $1,100.

Among the five departments selling similar-priced merchandise, the firm with the lowest net sales served a small number of customers per employee, only an average of five per day, whereas the others served six to eight per day.

The "going cost" of making a sale was between $1.24 and $1.37. One department effected its sales at as low a figure as $0.96, but its record of $1,329 net sales per employee and individual transactions of 49 per week is so unusual that we must regard the average cost of $1.31 per sale of the other stores as more attainable. The fact, however, that

TABLE 78

COMPENSATION AND SALES IN MEN'S CLOTHING DEPARTMENTS WITH ANNUAL NET SALES OF $450,000 AND OVER

(Full-Time, Twelve-Months and Earnings Thirds)

	Salary Plus Commission on All Sales		Straight Commission			
	Store No. 72	Store No. 70	Store No. 40	Store No. 25	Store No. 41	Store No. 21
All Full-Time Employees						
Average weekly earnings per employee	$48.40	44.52	53.07	40.91	46.54	54.81
Average weekly net sales per employee	$1,113	958	1,006	795	1,329	1,080
Average weekly number transactions per employee	35*	36	27	30	49	44
Selling cost per cent	4.3	4.6	5.3	5.1	3.5	5.1
Average sales check	$28.85*	29.94	42.29	28.75	28.99	25.49†
Average selling cost per sales check	$1.32*	1.24	1.94	1.37	0.96	1.25
Percentage of returns	8.1	10.7	13.2	7.6	5.8	
Twelve-Months Employees						
Average weekly earnings per employee	$48.70	46.17	54.62	47.86	49.76	61.43
Average weekly net sales per employee	$1,098	1,008	1,040	947	1,423	1,182
Average weekly number transactions per employee	36*	36	28	32	49	45
Selling cost per cent	4.4	4.6	5.3	5.1	3.5	5.2
Average sales check	$29.66*	30.97	43.15	31.66	30.63	27.32†
Average selling cost per sales check	$1.29*	1.27	1.97	1.49	1.01	1.37
Percentage of returns	9.0	10.5	13.0	7.0	5.7	
Lower Earnings Third						
Average weekly earnings per employee	$41.47	33.57	42.21	21.11	35.01	31.61
Average weekly net sales per employee	$814	675	790	301	1,017	708
Average weekly number transactions per employee	32*	33	25	24	44	70
Selling cost per cent	5.1	5.0	5.3	7.0	3.4	4.5
Average sales check	$25.68*	23.27	36.88	14.51	24.67	10.51†
Average selling cost per sales check	$1.29*	1.03	1.71	0.89	0.79	0.45
Percentage of returns	7.4	11.3	13.0	12.8	6.5	
Middle Earnings Group						
Average weekly earnings per employee	$46.91	43.40	50.82	37.97	44.54	46.16
Average weekly net sales per employee	$1,107	989	976	758	1,290	953
Average weekly number transactions per employee	35*	35	28	29	45	40
Selling cost per cent	4.2	4.4	5.2	5.0	3.5	4.8
Average sales check	$29.45*	31.79	39.34	28.37	30.90	25.12†
Average selling cost per sales check	$1.26*	1.25	1.82	1.31	0.99	1.15
Percentage of returns	9.1	10.5	11.2	7.6	7.0	
Upper Earnings Third						
Average weekly earnings per employee	$54.37	54.10	61.31	52.07	54.10	66.02
Average weekly net sales per employee	$1,302	1,149	1,160	1,028	1,526	1,253
Average weekly number transactions per employee	36*	30	29	33	53	38
Selling cost per cent	4.2	4.7	5.3	5.1	3.5	5.3
Average sales check	$30.58*	32.64	47.13	33.00	30.22	33.60†
Average selling cost per sales check	$1.43*	1.37	2.13	1.56	1.02	1.72
Percentage of returns	7.4	10.7	14.3	6.9	5.1	

* January to August. † November to August.

this department has the lowest returns in the group, despite its volume of sales per man, is some indication that customers were not "rushed."

By classifying by thirds in weekly earnings one cannot claim that a group nearer in equality in earnings between firms was isolated. The upper wage groups differ by an average of $14.00 per week in wages and $500 in net sales.

Grouping by Thirds within Each Department on the Basis of Net Sales

The middle-sized departments, grouped on the basis of sales per employee instead of earnings, show the lowest cost for the third which averages the highest weekly sales. This is not the situation shown by a similar classification in the large departments. The middle third in sales volume is in all but one store lower in selling costs than the highest group in weekly volume. The unit sales of the upper third in weekly net sales tend, however, to be higher than for employees at lower sales levels. (Tables 45 and 46 in the appendix.)

CHAPTER XI

SEASONAL FACTORS IN COMPENSATION IN MEN'S CLOTHING DEPARTMENTS

Seasonal peaks in the sale of men's clothing differ surprisingly in the various stores. The volume of sales increases slightly from month to month from September to December. It dwindles in the next two months. In the spring there is a peak in March which is not long sustained, though April and May sales show moderate stability. The June peak is followed by two consecutive low months, the poorest months of the year.

There is no sustained period when the demand is identical from month to month and the four months from September to December furnish the only period when the direction of movement is the same from one month to the next. The curve of the ratio of the year's business done in each month indicates the varied changes in demand.

Nearly a third (31.5 per cent) of the sales of the year are made in three months, October to December inclusive. These active months are offset by three consecutive summer months —June to August—when only 19 per cent of the year's sales are transacted. Except for the recession in July and August, the other changes to be planned for are not extreme. They involve, however, changes in size of sale.

The statement of the general tendency covers up many opposite trends in the individual departments. The month of maximum business occurs in any one of the fall months in some of our stores; in others there is a peak in April or May instead of June.

The dispersion in ratio of monthly sales is shown on Table 79 for the 15 men's wear departments reported for

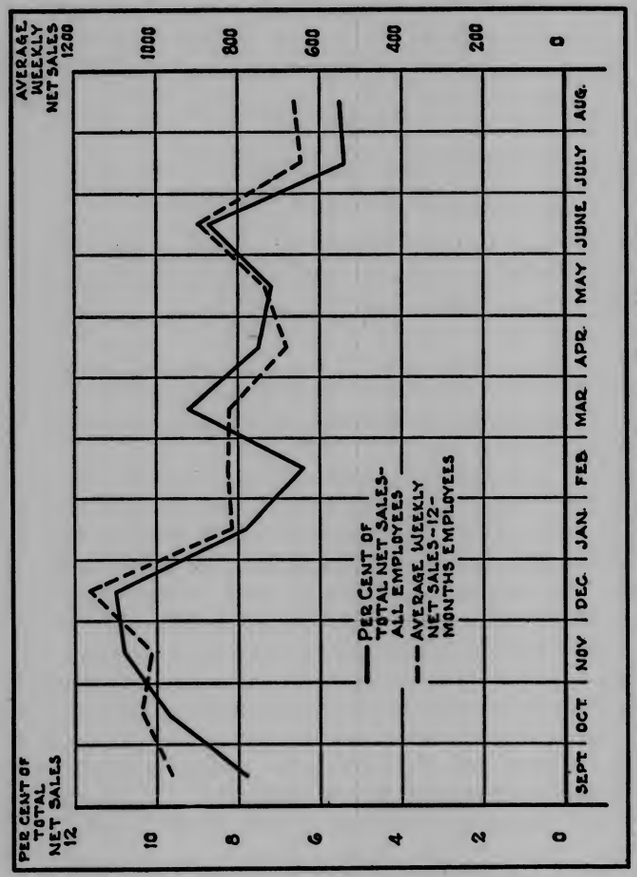

CHART XXXIX—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH COMPARED WITH INDIVIDUAL WEEKLY NET SALES—14 MEN'S CLOTHING DEPARTMENTS

every month. The difference in the timing of high and low sales in various stores suggests that enough stores would have to be included to make possible a geographical grouping before significant monthly trends could be indicated.

TABLE 79

DISTRIBUTION OF PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 15 MEN'S CLOTHING DEPARTMENTS

Per Cent of Total Net Sales	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
1.0 and under 2.0											1	
2.0 " " 3.0											1	
3.0 " " 4.0	1	1							1		2	3
4.0 " " 5.0						2		1			2	3
5.0 " " 6.0					3	3	1	2	1		5	4
6.0 " " 7.0	1	2				5	1	3	5		1	2
7.0 " " 8.0	7	2	1		5	1	1	4	1	4	2	1
8.0 " " 9.0	1	1	3		3	3	4	3	2	5	1	
9.0 " " 10.0	2	2	2	3	3	1	3		3	1		2
10.0 " " 11.0	1	1	3	3	1		1		2	2		
11.0 " " 12.0		2	2	4			2	1		3		
12.0 " " 13.0	2	3	1	1			1	1				
13.0 " " 14.0			1	2								
14.0 " " 15.0		1		1			1					
15.0 " " 16.0			1	1								
16.0 " " 17.0			1									
Total	15	15	15	15	15	15	15	15	15	15	15	15

The analysis of monthly changes in volume in men's clothing departments shows no period comparable to the December peak in hosiery when sales pile up in a single month. The dips are less extreme than in women's clothing. Yet the men's clothing departments present, in some ways, a worse problem for planning. This is due to the frequency of changes. Where one month is high and the next low, in a department where salesmanship is highly specialized, it is almost inevitable that the department will be manned for the business of busy months. This is, in fact, what our analysis shows. There are few short-service employees in the departments studied. Most of the business is done by full-time employees on the roll in every month.

Fluctuations in selling cost tend to follow the diverse changes in individual business and no general comment is as significant as the percentage of salary to sales in each store. The monthly variance is least under straight commission.

TABLE 79A

MONTHLY PERCENTAGES OF SELLING COST IN MEN'S CLOTHING DEPARTMENTS

(All employees)

Number of Store	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average for the Year
Straight Salary													
23	4.0	3.7	3.3	2.9	3.9	5.6	4.0	4.4	3.9	3.3	6.6	9.9	4.2
59	6.4	6.9	4.8	5.7	9.6	8.2	5.7	5.8	7.2	5.3	9.3	6.9	6.4
77	9.0	4.8	5.8	3.2	6.2	9.1	6.2	6.5	8.8	5.0	5.5		5.5
Straight Commission													
15	4.9	4.2		2.8	5.5	8.2	5.6	7.1	4.7	5.0	6.1	6.5	5.2
20	2.6	4.2	4.0	4.0	4.0	4.0	6.7	4.3	4.0	3.5		9.9	4.3
21	4.9	5.1	5.1	4.9	5.2	5.2	5.0	5.0	5.0	4.7	5.5	5.9	5.1
25	5.2	5.4	5.1	5.0	5.4	4.3	3.6	7.9	5.1	5.1	7.7	5.6	5.1
40	5.3	5.2	5.2	5.2	5.1	5.3	5.0	5.8	5.2	5.3	5.3	5.5	5.3
41	3.7	3.2	3.2	3.3	3.5	4.3	3.2	3.3	3.5	3.3	4.0	4.5	3.5
48	5.1	5.7	6.1	5.5	5.5	5.3	5.3	5.4	5.2	5.3	5.6	5.4	5.4
63	3.1	4.7	4.4	4.6	4.5	4.5	4.6	4.5	5.0	4.8	4.9	4.5	4.4
66	5.0	3.4	5.6	5.2	5.3	7.0	6.4	5.9	5.7	5.6	6.0	5.1	5.3
Salary Plus Commission on All Sales													
54	6.8	11.5	4.8	5.1	6.3	7.7	5.1	6.4	6.3	5.5	10.6	8.9	6.2
70	5.0	4.1	4.7	3.7	5.4	4.1	4.6	6.3	5.7	3.8	6.0	5.1	4.6
72	4.6	3.7	2.9	4.0	5.3	5.8	4.5	4.7	4.9	4.0	6.3	5.3	4.3
Quota-Bonus													
49	10.6	11.4	8.3	6.7	9.5	14.4	7.9	8.2	7.8	9.0	10.7	8.8	9.0
93	4.1	4.2	4.2	4.1	4.9	5.7	5.3	5.0	4.2	4.4	4.7	4.8	4.5
98	4.9	4.7	4.5	3.5	4.3	6.0	5.0	5.5	5.2	4.2	4.9	4.9	4.7

MONTHLY FLUCTUATIONS FOR TWELVE-MONTHS EMPLOYEES

There are not enough stores in this study of men's clothing departments to warrant any conclusions about the effect of differences in method of payment. From the point of view of weekly compensation, the stores may be classified into two groups—one in which the average weekly earnings are under $38.00, and a second paying $38.00 and over.

All the small stores and half the middle-sized are included in the first grouping. The second comprises all the large stores and the rest of the middle-sized. The comparison of these two series comes down to determining whether

the monthly variations are similar in two groups of stores differing both in size and weekly earnings.

The fluctuations in earnings are shown by putting the two series on an index basis. The base is the average earnings of the year. Chart XL shows that in the stores in the group paying $38.00 and over there is the greatest variation in earnings, reaching both a higher and a lower point relatively than in smaller stores. The peak of earnings is in November in one case and in December in another. The median to indicate the level of earnings is less satisfactory than the relatives because the range in each month is quite

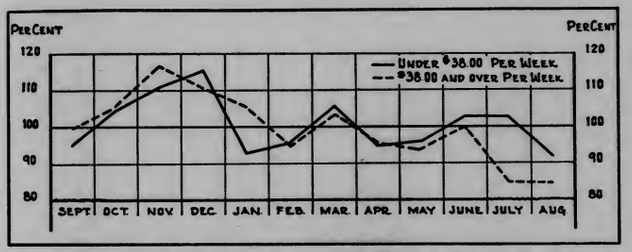

CHART XL—INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS IN MEN'S CLOTHING DEPARTMENTS—TWELVE-MONTHS EMPLOYEES

extreme. Each company is subject to somewhat different fluctuations owing to the fact that the active months are not the same for all departments. The difficulty of summarizing the monthly variations may be indicated by pointing out that a firm in which earnings were $49.00 per week in September paid $52.00 in October, $67.00 in November, $87.00 in December and $67.00 in January to employees identical in number and personnel.

Both wage series follow the same order of variation. Individual net sales for twelve-months employees tend to pile up in peaks in December, March, and June in about the same way in low-wage and high-wage stores. The extreme dullness characteristic of large stores, especially in

TABLE 80

INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS IN MEN'S CLOTHING DEPARTMENTS

(Twelve-Months Employees)

(Base—Average of the Year)

Departments Averaging	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Less Than $38.00	94.9	104.5	111.0	115.4	92.6	95.3	105.5	94.9	95.8	102.8	102.7	92.0
$38.00 and Over	99.7	105.5	116.7	110.7	105.3	94.6	103.6	95.5	93.8	99.9	84.6	84.5

TABLE 81

INDEX NUMBERS OF AVERAGE WEEKLY NET SALES IN MEN'S CLOTHING DEPARTMENTS

(Twelve-Months Employees)

(Base—Average of the Year)

Departments Averaging	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Less Than $38.00	109.8	109.4	120.2	135.5	89.5	79.1	96.6	88.2	92.2	110.9	86.8	79.6
$38.00 and Over	97.6	112.2	119.7	120.4	103.1	93.9	114.9	87.3	92.9	111.3	68.7	67.9

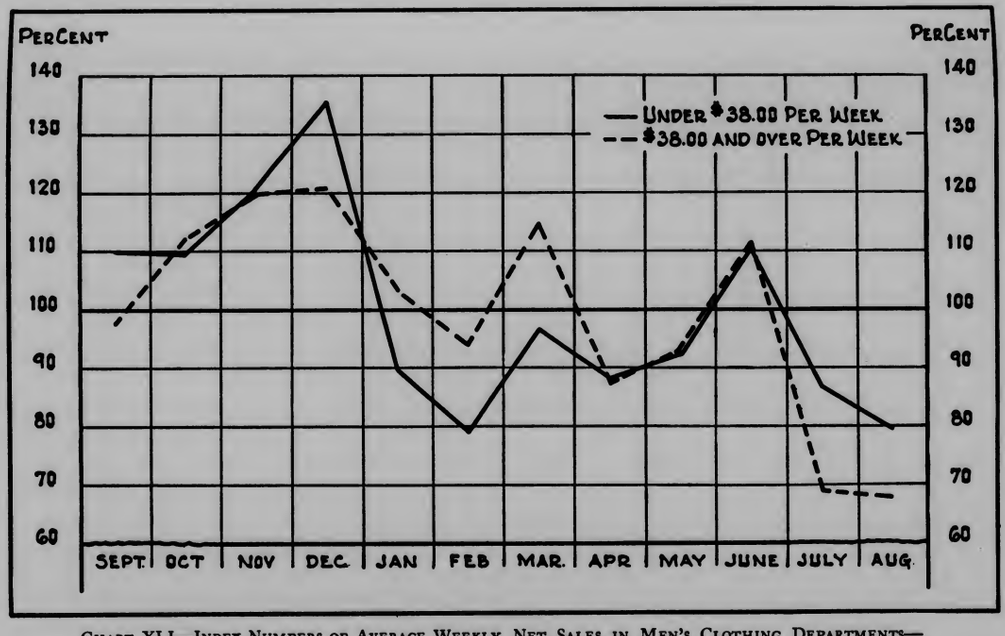

CHART XLI—INDEX NUMBERS OF AVERAGE WEEKLY NET SALES IN MEN'S CLOTHING DEPARTMENTS—TWELVE-MONTHS EMPLOYEES

eastern cities, influences the sales of the high-wage group in July and August.

The index curve of twelve-months employees shows the same contour for both sizes of firms; the difference is that the summer months show less recession in the series based on smaller stores in which individual weekly earnings average $38.00 and less.

In the stores paying less than $38.00 per week, peak sales in December were 35 per cent above the monthly average of the year; in the large group they were only 20 per cent above. On the other hand, sales per employee in August were 20 per cent below the year's average in the small group and 32 per cent below in the large stores.

The actual number of customers in the fall and summer months resembles the situation stressed in women's ready-to-wear. The period of high sales in November and December does not mean that salesmen are coming in contact at that time with the largest number of purchasers. What they are doing is making large sales to a few customers, whereas in summer they are selling lower-priced items to more customers. In other words, there are, in men's wear, as in women's wear, two seasons with a difference in the type of merchandising. This swing is especially marked in large stores. In December, when sales were highest, salesmen of men's wear served 12 per cent more customers than the monthly average, but in June they served 56 per cent more.

The smaller stores show a less extreme difference between the numbers served in December and June, but, even there, the fall trade involved somewhat fewer customers than were served in June. In both groups of stores the volume of net sales is higher in the autumn than in June, but the number of transactions per week for identical clerks in both groups of stores is highest in June.

Because this finding is important in departments committed fairly generally to straight commission payment, it is well to show how much the change in the number of customers amounts to in the case of particular firms.

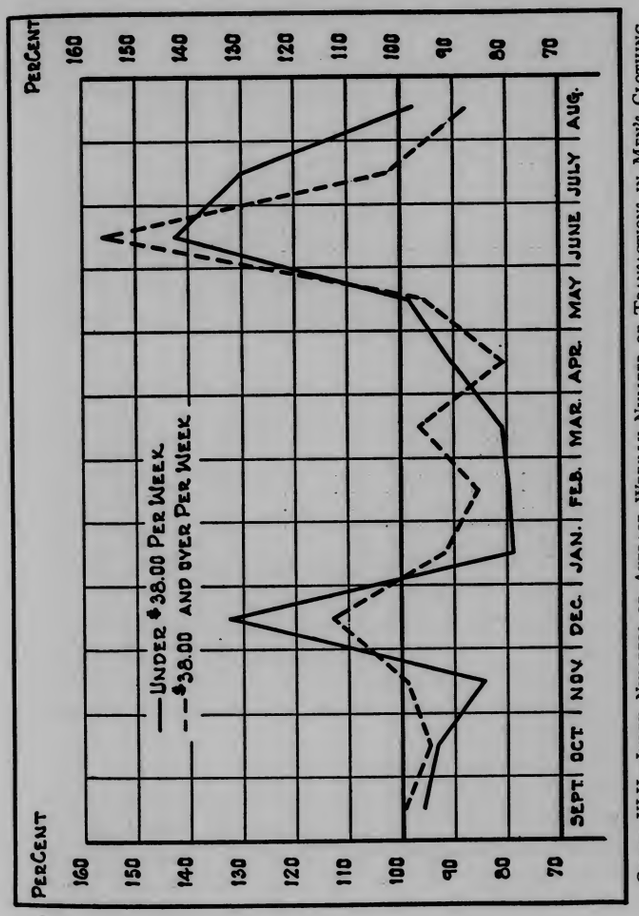

CHART XLII—INDEX NUMBERS OF AVERAGE WEEKLY NUMBER OF TRANSACTIONS IN MEN'S CLOTHING DEPARTMENTS—TWELVE-MONTHS EMPLOYEES

Among the firms who reported transactions in the group with earnings of $38.00 or over:

Store Number	Average Weekly Number of Transactions Per Employee	
	December	June
21	51	69
70	48	55
41	48	59
23	44	58
25	30	46
40	27	40

Let us put in relation to this table the net sales per employee in the same months in these firms. Both were months of high sales.

Store Number	Average Weekly Net Sales Per Employee	
	December	June
21	$1,327	$1,384
70	1,447	1,252
41	1,507	1,394
23	1,531	1,583
25	895	986
40	1,194	1,059

In three stores the employees averaged higher sales by selling more customers; in the others the individual net sales were lower. From this fact it follows that in straight commission stores earnings were lower, though transactions were high. It is a practical problem to determine whether net sales, in such a case, can be considered a fair measure of sales effort.

These findings concerning changes in numbers of transactions are supplemented with an index of the size of the transaction. Chart XLIII shows that from March the size of the unit sale gradually decreases and is at its lowest point in June and July. The proportion of overcoats and winter suits in the November business doubtless explains the high unit sale. In winter and spring months the size of the sales check is relatively uniform. But summer business is of a different type, with a unit sale 20 to 25 per cent below the average of the year.

TABLE 82

INDEX NUMBERS OF AVERAGE WEEKLY NUMBER OF TRANSACTIONS IN MEN'S CLOTHING DEPARTMENTS

(Twelve-Months Employes)

(Base—Average of the Year)

Departments Averaging	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Less Than $38.00	95.6	93.0	84.2	132.5	78.6	79.2	80.8	90.1	98.4	142.6	130.0	98.0
$38.00 and Over	99.4	94.3	99.0	112.8	91.8	85.2	96.5	80.4	95.7	156.4	102.6	87.3

TABLE 83

INDEX NUMBERS OF AVERAGE SIZE OF TRANSACTION IN MEN'S CLOTHING DEPARTMENTS

(Twelve-Months Employes)

(Base—Average of the Year)

Departments Averaging	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Less Than $38.00	104.7	121.5	153.2	99.5	115.3	107.3	121.3	105.6	90.3	80.2	66.0	82.2
$38.00 and Over	104.7	120.9	128.7	105.9	117.5	109.8	120.6	110.3	94.1	73.0	70.7	77.4

What proportion of the business of men's clothing departments is represented by the twelve-months employees considered in this section? What part by short-service and by part-time clerks? The answer is definite. It is characteristic of men's clothing departments that most of the sales are made by employees who were selling in the department in all months. There is little use of part-time employees. In only two stores do part-time salesmen account for 5 per

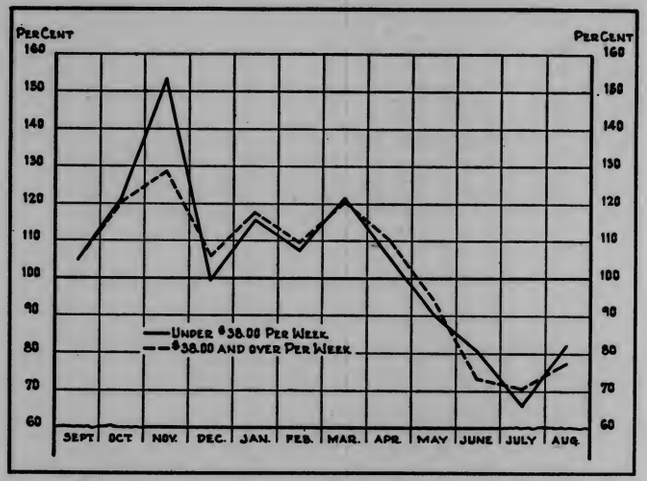

CHART XLIII—INDEX NUMBERS OF AVERAGE SIZE OF TRANSACTION IN MEN'S CLOTHING DEPARTMENTS—TWELVE-MONTHS EMPLOYEES

cent of the sales and in only three are part-time clerks employed in all months.

In about one-half the participating stores twelve-months employees make anywhere from 85 to 95 per cent of the total net sales and in only two cases are the sales of this group less than 50 per cent. Individual variations are illustrated on Plate XLIV. The proportion of the year's business done in each month by twelve-months clerks is shown in the black area; the middle cross-hatched section repre-

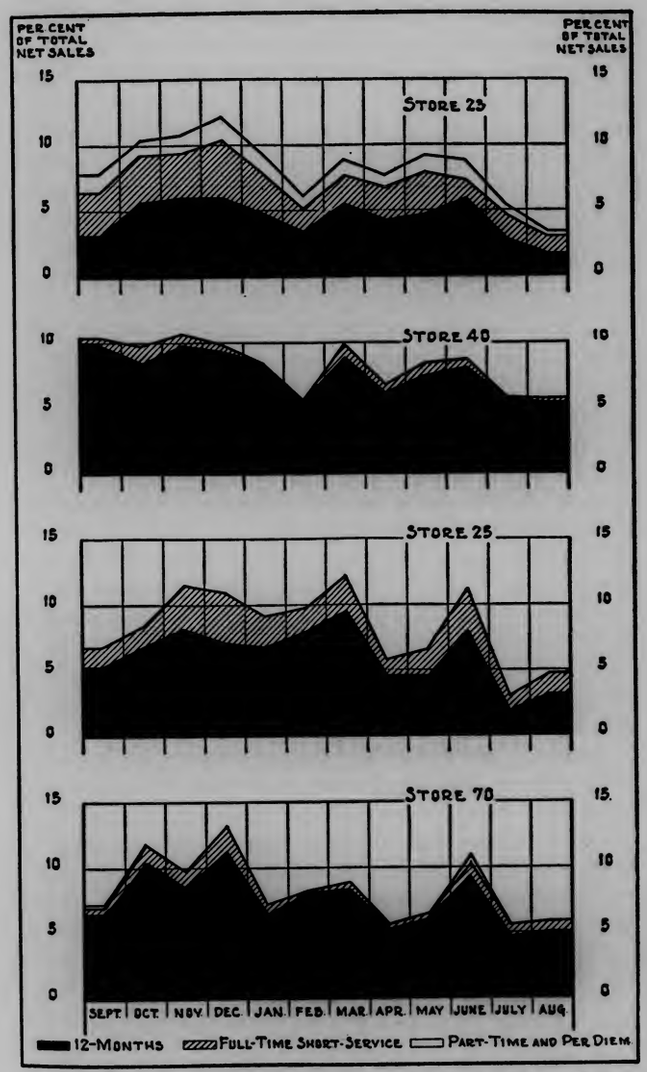

CHART XLIV—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN MEN'S CLOTHING DEPARTMENTS

sents the sales of full-time short-service clerks and the third area, if part-time clerks are used, is shown at the top.

Firms 23 and 40 typify different policies in two departments with an average sale of more than $40.00. In firm 23 full-time clerks sell 53.5 per cent of the year's total and 32 per cent is cared for by part-time and per diem clerks retained in all months. Firm 40 made 92.5 per cent of its sales by twelve-months clerks and engaged no part-time help. These illustrate extremes, since firm 23 makes the most use of part-time selling of all the departments reported. It should also be observed that, in this firm, the annual selling cost of part-time and full-year salesmen was identical. The contour of the curves differs slightly, the most noticeable being the stability of sales in July and August in firm 40 contrasted with the slackness experienced in firm 23.

The third and fourth sections on Plate XLIV for firms 25 and 70 show the irregular monthly movements in business to which attention has been directed elsewhere in this study. The irregular demand caused the same twelve-months clerks in store 70 who average $1,447 in net sales in December to drop to $816 in January. They averaged $1,071 in March, contrasted with $682 in April. From a study of the records of twelve-months employees it is clear that these short irregularities decrease the individual output of the stable employee since the changes are too intermittent to be met by reducing the sales force.

Firm 41 deserves to be commented upon singly because it has no peer, nor even a very close competitor, in its extraordinary record of net sales per employee. It experienced as much change in the ratio of business done in different months as others. More than a third (35.3 per cent) of the whole volume of the year was made in three months—October to December. Only 17.5 per cent was sold in the quarter beginning in June. Yet there is only one month in which the twelve-months employees who sold 86 per cent of the annual total did not average more than $1,000 in net sales. In both November and December the individual weekly

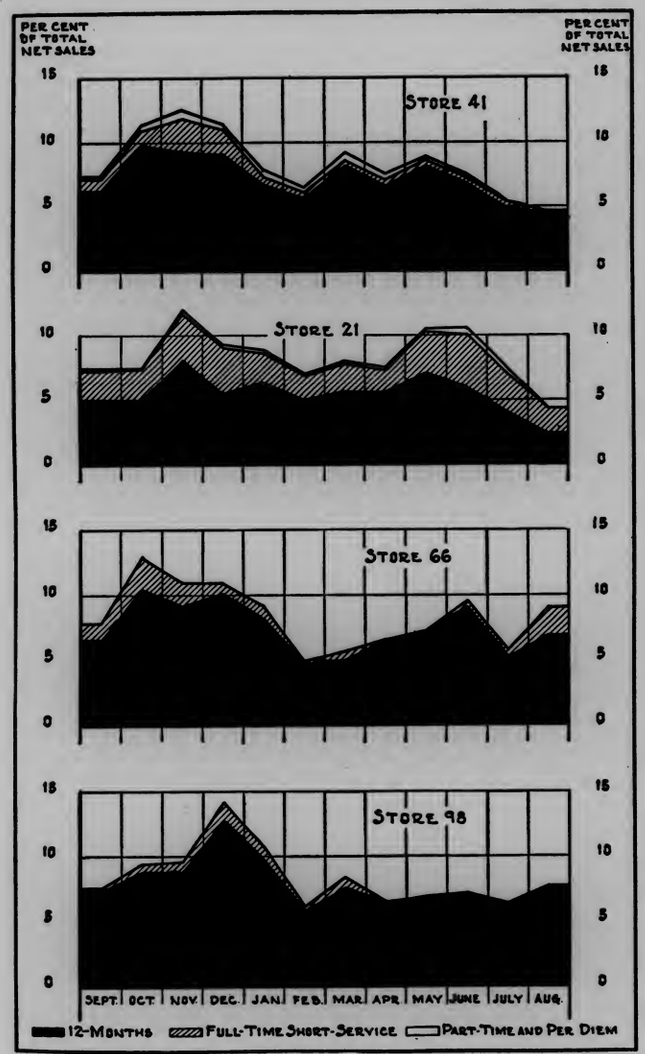

CHART XLV—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN MEN'S CLOTHING DEPARTMENTS

average was well above $1,900. The only period when much of the selling in this department is contributed by shorter-service employees is the quarter beginning in October.

Firms 21, 66, and 98, in different sections of the country, illustrate the difficulty of generalizing about the distribution of volume. Each experiences its fall peak in a different month; but the significant contrast is in the summer trade. Firm 21 suffers marked dullness in August, 66 in July; by contrast 98 shows a marked stabilization.

The analysis of these companies goes as far as one can in setting forth the seasonal factors which deserve attention in any consideration of methods of compensation.

A summary of the percentage of business done by short-service and full-year employees is shown on Chart XLVI.

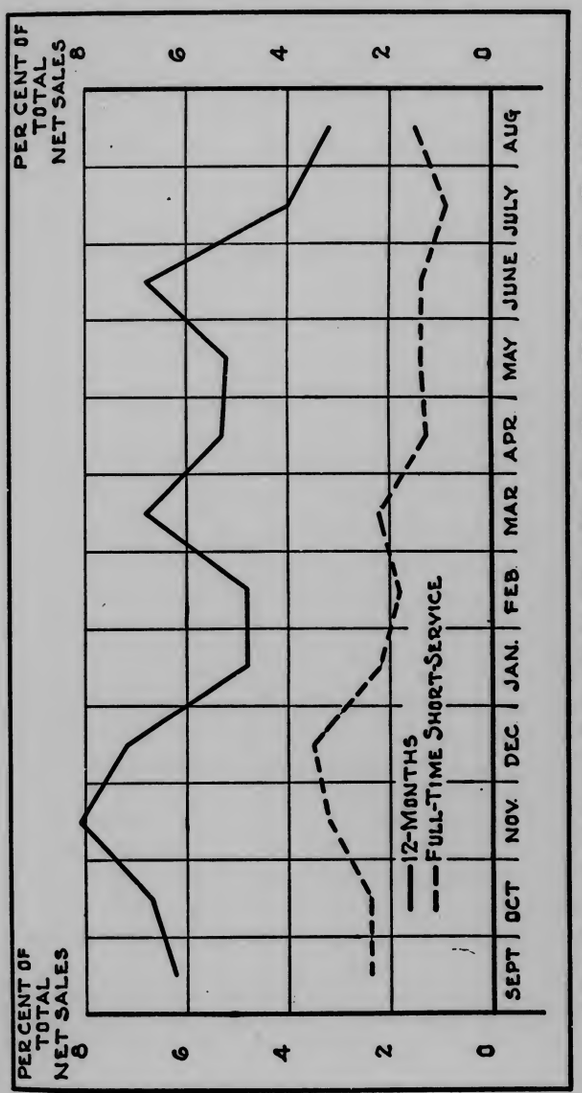

CHART XLVI—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY TWELVE-MONTHS AND FULL-TIME SHORT-SERVICE EMPLOYEES IN MEN'S CLOTHING DEPARTMENTS

CHAPTER XII

COMPENSATION AND SALES IN 21 HOUSE FURNISHINGS DEPARTMENTS

The house furnishings departments present some difficulties from the point of view of making comparisons from store to store. The difficulties arise out of two factors. In the first place, sales clerks in house furnishings normally sell in fixed positions, and the selling opportunity is not equal within a department; in the second place, the items of merchandise carried and the proportions vary from one store to another.

The department was included in the study with full knowledge of these irregularities. It seemed desirable to attempt a study in at least one unit in which employees had not equal opportunity to sell all kinds of merchandise in the department. Similar problems exist in many other branches of retailing. For example, in toys, notions, upholstery and furniture, administrative problems arise similar to those in house furnishings.

The collection of data was restricted to one department in the house furnishings division including, primarily, kitchen equipment, bathroom supplies, and small hardware. In practice, quite unexpected articles find themselves in the list of items sold in some stores in this department. These irregularities limit the value of inter-store comparisons.

The lack of similarity is evident in the extreme range in selling costs and number of transactions in the 21 house furnishings departments. On the other hand, the study of this department is useful in the contrast it makes with selling costs of others in the same store.

A higher proportion of straight salary payment plans is found in these units than in the other departments in the

study. Nine of the 21 house furnishings departments are paid a straight salary, six salary plus a commission on all sales, and six a bonus above quota. In annual volume of net sales, eight departments have less than $75,000, seven sell $100,000 to $200,000, five others rank as quite large departments.

If the departments are arranged on the basis of the average weekly earnings of full-time employees and the corresponding sales per employee-week, no consistent relationship between earnings and sales is found. A similar arrangement of hosiery and ready-to-wear departments showed that there was a central tendency to which most stores approximately conformed. Here there is no uniform tendency.

The range in average weekly earnings shown at the bottom of Chart XLVII is not, in itself, unusual. The variations in earnings among stores is no greater than is to be found in other departments studied. The lowest firm is averaging $14.77; the highest $25.84. One-half are at or below $19.65. The contrast between this and other parts of the study is in the average weekly net sales corresponding to the earnings. Average weekly net sales in these departments are not directly related to weekly earnings. If the earnings of the five firms with individual net sales above $400 are noted, one is found to be paying $15.68, the second $18.51, the third $20.98, and the other two $24.46 and $25.84 respectively.

This variation indicates that some stores paying $20.00 or more have no higher sales than others paying $15.00 to $17.00.

To explain these inequalities it is necessary to use a different method of analysis than was adopted for other parts of the study. Instead of comparing whole departments, we classify the employees in each on the basis of the average size of the sales check, and make our comparison between groups of employees having a relatively similar sales check.

Unfortunately, five stores did not report transactions for

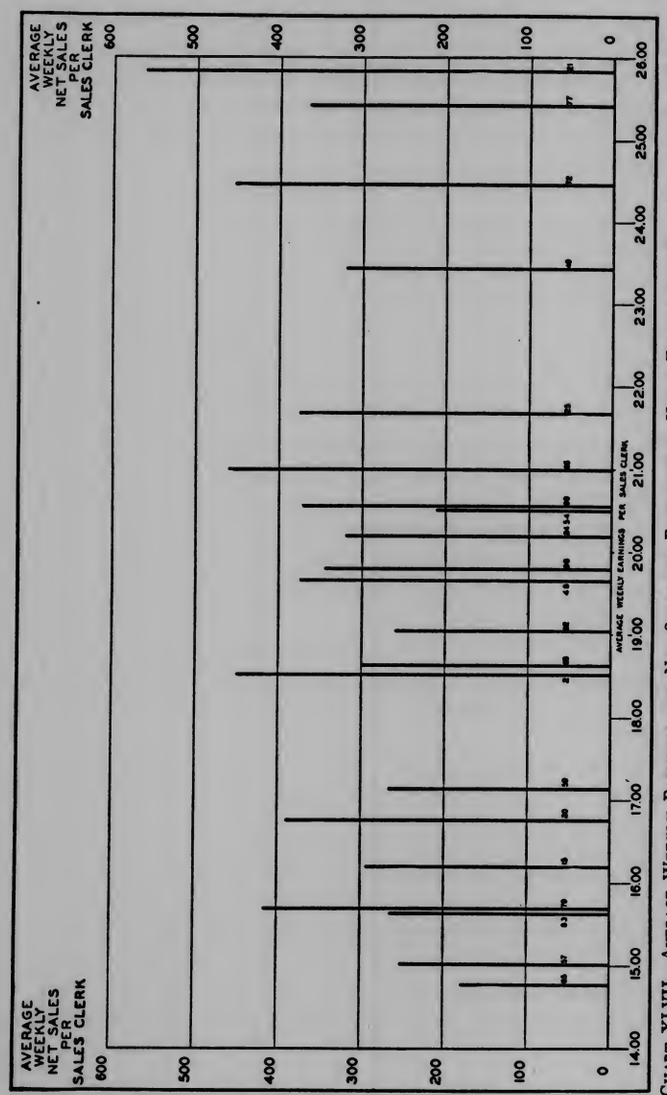

CHART XLVII—AVERAGE WEEKLY EARNINGS AND NET SALES PER EMPLOYEE IN HOUSE FURNISHINGS DEPARTMENTS IN 21 STORES

individual employees and several others omitted certain months or are too small to subdivide. There are left but 11 stores for which comparisons can be made and even these, in some cases, have a small number of clerks.

This subdivision within departments makes clear the cause of lack of comparability in total figures. One department has a group of employees making sales amounting to one to six dollars. There are no sales between $6.00 and $12.00 and then we find another group with a unit sale of $13.00 to $18.00. Obviously, the groups within the department are concerned with the sale of different merchandise. In fact, five employees are selling large items such as refrigerators, cabinets and stoves. Another firm has clerks distributed quite generally at various sizes of sales from less than $1.00 to $23.00. In other stores there are no employees with a unit sale of as much as $3.00.

TABLE 84

SUMMARY OF SALES AND EARNINGS IN HOUSE FURNISHINGS DEPARTMENTS ARRANGED BY SIZE OF TRANSACTION

(Full-Time Employees)

Firm Number	Size of Transaction	Cost of Transaction	Number of Transactions	Average Weekly Net Sales	Selling Cost	Average Weekly Earnings
59	$1.06	$0.07	250	$265	6.5	$17.13
63	1.36	0.08	206	264	5.9	15.63
85	1.46	0.12	127	178	8.3	14.77
57	1.49	0.09	175	251	6.0	15.01
02	1.59	0.07	283	449	4.1	18.51
15	1.91	0.11	153	293	5.5	16.19
49	1.92	0.13	181	319	7.3	23.43
20	1.93	0.08	214	389	4.3	16.75
66	2.04	0.09	231	460	4.6	20.98
21	2.08	0.10	269	562	4.6	25.84
79	2.35	0.08	189	416	3.8	15.68
24	2.38	0.14	146	319	6.3	20.18
98	2.49	0.14	145	344	5.8	19.78
25	2.59	0.13	163	374	5.8	21.66
72	3.95	0.20	122	452	5.4	24.46
99	4.36	0.24	85	371	5.5	20.54
48				$374	5.3	$19.65
54				210	9.8	20.50
77				364	7.0	25.42
92				257	7.4	19.04
93				299	6.2	18.63

The comparison in each department is made, therefore, for employees selling a sales check of less than $1.50, $1.50 and under $3.00, $3.00 and under $6.00, $6.00 and over.

Eight companies have some employees with a sales check of less than $1.50. This group still shows little relation between weekly earnings and sales. The weekly net sales are about the same in stores paying $15.00, $17.00, $19.00, and $20.00 in earnings.

TABLE 85

AVERAGE WEEKLY EARNINGS AND NET SALES IN HOUSE FURNISHINGS DEPARTMENTS DIVIDED BY SIZE OF SALES CHECK

Average Weekly Net Sales	Earnings											
	$14	$15	$16	$17	$18	$19	$20	$21	$22	$23	$24	$25
Sales Check under $1.50												
$175 and under $200	I											
200 " " 225												
225 " " 250	I	I				I						
250 " " 275				I			I					
275 " " 300												
300 " " 325												
325 " " 350												
350 " " 375												
375 " " 400												
400 " " 425			I							I		
Sales Check of $1.50 to $3.00												
$150 and under $175		I										
175 " " 200												
200 " " 225												
225 " " 250												
250 " " 275			I									
275 " " 300		I	I									
300 " " 325							I					
325 " " 350							I					
350 " " 375					I							
375 " " 400												
400 " " 425		I										
425 " " 450												
450 " " 475												
475 " " 500						I						
500 " " 525						I						
525 " " 550												
550 " " 575												I

The next size of sales check represents more employees and is found in each of the eleven departments. Here earnings and sales are more in accord with the relation found to exist between earnings and sales in hosiery and ready-to-wear departments. The large-sized sales check is also sold at a lower cost in all but two stores than were the sales of low-priced goods.

TABLE 86

SELLING COSTS IN 11 HOUSE FURNISHINGS DEPARTMENTS CLASSIFIED BY SIZE OF SALES CHECK

Firm Number	Total Department	Size of Sales Check	
		$1.50 and Under $3.00	Under $1.50
79	3.8	3.8	
66	4.6	3.8	8.3
02	4.1	4.1	4.1
21	4.6	4.7	5.7
63	5.9	5.2	6.2
57	6.0	5.4	6.4
15	5.5	5.5	
25	5.8	6.1	7.6
24	6.3	6.3	
59	6.5	6.4	6.5
85	8.3	9.0	8.0

When the individual departments are divided on the basis of unit sales, there are only four firms with selling costs of more than 5.5 per cent in the $1.50 to $3.00 size and only one firm below 5.5 per cent in the lower-priced items. This analysis is not a complete answer to the irregularities found in all our department totals because, in the nine firms for which the comparison cannot be made, five have selling costs of 6.2 per cent and over and four are above 7 per cent. It is an indication, however, of the wide differences within the departments.

If a still higher sales check were considered, fewer stores would be included, but the contrasts would be still more striking. For instance, in firm 21 selling costs progressively decrease and earnings and net sales increase as the higher-priced items are included. With these variations and the

TABLE 87
COMPENSATION AND SALES IN HOUSE FURNISHINGS DEPARTMENTS
FULL-TIME EMPLOYEES GROUPED BY SIZE OF SALES CHECK

	Straight Salary						Salary Plus Commission	Quota-Bonus	
	Store No. 15	Store No. 63	Store No. 24	Store No. 85	Store No. 59	Store No. 57	Store No. 02	Store No. 66	Store No. 79
Sales Check of under $1.50									
Average weekly earnings per employee		$14.91		14.43	17.31	15.01	16.46	19.88	
Average weekly net sales per employee		$239		181	267	233	400	238	
Average weekly number transactions per employee		206		137	269	174	300	173	
Selling cost per cent		6.2		8.0	6.5	6.4	4.1	8.3	
Average sales check		$1.22		1.37	0.99*	1.39	1.33	1.41	
Average selling cost per sales check		$0.07		0.11	0.06	0.09	0.05	0.12	
Percentage of returns		5.0		3.8		3.9		1.8	
Sales Check of $1.50 and under $3.00									
Average weekly earnings per employee	$16.19	18.23	20.18	15.47	16.01	15.02	19.75	19.55	15.68
Average weekly net sales per employee	$293	352	319	171	252	276	479	517	416
Average weekly number transactions per employee	153	204	146	106	131	177	273	262	189
Selling cost per cent	5.5	5.2	6.3	9.0	6.4	5.4	4.1	3.8	3.8
Average sales check	$ 1.91	1.88	2.38	1.70	1.92*	1.62	1.76	2.02	2.35
Average selling cost per sales check	$ 0.11	0.09	0.14	0.15	0.12	0.09	0.07	0.07	0.08
Percentage of returns		8.2	7.8	5.1		3.5		2.1	6.3

* Based on net sales.

knowledge that the same employees do not sell in all parts of the department, a comparison of earnings between stores is not as significant as in other departments.

Size of Sales Check	Store 21			Store 25		
	Average Weekly		Selling Cost Per Cent	Average Weekly		Selling Cost Per Cent
	Earnings	Net Sales		Earnings	Net Sales	
Under $1.50	$23.32	$410	5.7	$20.66	$273	7.6
$1.50 and under $3.00	25.85	555	4.7	20.47	334	6.1
3.00 " " 6.00	27.58	699	3.9	18.20	375	4.8
6.00 and over	31.12	820	3.8	35.21	750	4.7

Since some stores are omitted from the analysis by size of sales check, the totals for all full-time and twelve-months sales clerks are given in Table 88 by size and method of pay.

When this table is summarized for individual net sales by size and method of pay there is not as much difference in net sales by size of department as one would expect considering the fact that some of the departments outrank the small ones so much in volume. The differentiation in net sales by method of pay is more marked. The straight salary group has lower individual net sales than salary plus commission or quota-bonus departments. All but two of the salary departments average less than $300 per employee-week; all but one of the salary plus commission and quota-bonus departments are above $300.

The fact that earnings increase as the size of the sales check increases makes it evident that the comparison between stores is improved by following the method standardized throughout this study of subdividing the employees into three earnings groups within each department. Omitting the smallest departments, there are 16 house furnishings departments which can be so subdivided.

In these the lower third in earnings average $13.00 to $18.00 (one at $21.00) or an average of $16.00. Selling

TABLE 88

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES IN HOUSE FURNISHINGS DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $100,000

	Straight Salary				Salary Plus Commission		Quota-Bonus			
	Store No. 15	Store No. 57	Store No. 77	Store No. 85	Store No. 02	Store No. 54	Store No. 48	Store No. 49	Store No. 79	Store No. 99
All Employees										
Average weekly earnings per employee	$16.19	15.01	25.42	14.77	18.51	20.50	19.65	23.43	15.68	20.54
Average weekly net sales per employee	$293	251	364	178	449	210	374	319	416	371
Average weekly number transactions per employee	153	175		127	283			181	189	85
Selling cost per cent	5.5	6.0	7.0	8.3	4.1	9.8	5.3	7.3	3.8	5.5
Average sales check	$ 1.91	1.49		1.46	1.59			1.92	2.35	4.36
Average selling cost per sales check	$ 0.11	0.09		0.12	0.07			0.13	0.08	0.24
Percentage of returns		3.7	2.6	4.2		5.0	7.3	6.7	6.3	
12-Months Employees										
Average weekly earnings per employee	$15.77		24.65		18.90	20.46	20.07	23.66	15.64	20.54
Average weekly net sales per employee	$285		284		455	258	385	319	420	371
Average weekly number transactions per employee	164				285			187	193	85
Selling cost per cent	5.5		8.7		4.2	7.9	5.2	7.4	3.7	5.5
Average sales check	$ 1.74				1.60			1.85	2.33	4.36
Average selling cost per sales check	$ 0.10				0.07			0.13	0.08	0.24
Percentage of returns			3.2			6.5	7.6	6.9	6.5	

HOUSE FURNISHINGS DEPARTMENTS WITH ANNUAL NET SALES OF $100,000 AND OVER

	Straight Salary					Salary Plus Commission				Quota-Bonus	
	Store No. 24	Store No. 59	Store No. 63	Store No. 92	Store No. 93	Store No. 20	Store No. 21	Store No. 25	Store No. 72	Store No. 66	Store No. 98
All Employees											
Average weekly earnings per employee	$20.18	17.13	15.63	19.04	18.63	16.75	25.84	21.66	24.46	20.98	19.78
Average weekly net sales per employee	$319	265	264	257	299	389	562	374	452	460	344
Average weekly number transactions per employee	146	250	206			214	269	163	122	231	145
Selling cost per cent	6.3	6.5	5.9	7.4	6.2	4.3	4.6	5.8	5.4	4.6	5.8
Average sales check	$ 2.38	1.06	1.36			1.93	2.08	2.59	3.95	2.04	2.49
Average selling cost per sales check	$ 0.14	0.07	0.08			0.08	0.10	0.13	0.20	0.09	0.14
Percentage of returns	7.8		6.0	2.1		6.5		10.9	10.1	2.2	5.1
12-Months Employees											
Average weekly earnings per employee	$19.71	17.84	16.13	14.45	18.60	16.83	26.80	23.24	25.87	20.61	20.48
Average weekly net sales per employee	$295	311	281	193	296	392	578	422	633	474	379
Average weekly number transactions per employee	139	297	213			190	280	154	142	233	145
Selling cost per cent	6.7	5.7	5.7	7.5	6.3	4.3	4.6	5.5	4.1	4.3	5.4
Average sales check	$ 2.32	1.05	1.41			2.19	2.08	3.09	4.91	2.08	2.79
Average selling cost per sales check	$ 0.14	0.06	0.08			0.09	0.10	0.15	0.18	0.09	0.14
Percentage of returns	8.3		6.5	2.8		7.4		11.3	18.6	2.3	5.3

TABLE 89

AVERAGE WEEKLY NET SALES IN HOUSE FURNISHINGS DEPARTMENTS CLASSIFIED BY SIZE AND METHOD OF PAY

Average Weekly Net Sales	Volume		Method of Pay		
	Small	Large	Straight Salary	Salary Plus Commission	Quota-Bonus
Under $200	85		85		
$200 and under $225	54			54	
225 " " 250					
250 " " 275	57	59, 63, 92	59, 63, 92, 57		
275 " " 300	15	93	93, 15		
300 " " 325	49	24	24		
325 " " 350		98			49
350 " " 375	77, 48, 99	25	77	25	98
375 " " 400		20		20	48, 99
400 " " 425	79				
425 " " 450	02			02	79
450 " " 475		72, 66		72	66
475 " " 500					
500 " " 525					
525 " " 550					
550 " " 575		21		21	

costs for this lower wage group average 5.8 per cent, but vary considerably in individual cases.

The middle wage group averages about $19.00 in weekly earnings and about $350 in weekly net sales, and has an average selling cost of 5.5 per cent quite well distributed in range between stores, though in all but one instance less than 7.0 per cent.

The upper wage group still shows extreme irregularities in range of earnings, sales, and selling costs. This is probably the group most affected by differences in the combination of merchandise in these selling units.

The best comparison between stores is probably furnished by the middle wage group.

Even if the sales groups are subdivided by high and low earnings, it must still be admitted that there are likely to be variables which limit inter-store comparisons. The irregularities will be evident from the wide differences in selling cost and number of transactions in the 21 house furnishings departments in this study. On the other hand, the inclusion

TABLE 90

EARNINGS, SALES, AND SELLING COSTS
HOUSE FURNISHINGS DEPARTMENTS
(Full-Time Employees by Wage Groups)

Average Weekly Earnings	Wage Groups				Average Weekly Net Sales	Wage Groups				Selling Cost Per Cent	Wage Groups			
	Lower	Middle	Upper			Lower	Middle	Upper			Lower	Middle	Upper	
$13 and under $14	3			3	Under $200	1			1	3.6 and under 3.8	1		2	3
14 " " 15	4			4	$200 and under $225	2			2	3.8 " " 4.0		2		2
15 " " 16	1	3		4	225 " " 250	2	1		3	4.0 " " 4.2			1	1
16 " " 17	2	2		4	250 " " 275	3	2	1	6	4.2 " " 4.4	1	2		3
17 " " 18	2	2	1	5	275 " " 300	3	1	1	5	4.4 " " 4.6			1	1
18 " " 19	3	3	1	7	300 " " 325	2	4	1	7	4.6 " " 4.8		2	1	3
19 " " 20		1	1	2	325 " " 350	1	3	3	7	4.8 " " 5.0		2	1	3
20 " " 21	1	3	1	5	350 " " 375	2	3	2	7	5.0 " " 5.2	1	1	1	3
21 " " 22			1	1	375 " " 400			1	1	5.2 " " 5.4	1	2	1	4
22 " " 23		1	1	2	400 " " 425		1	2	3	5.4 " " 5.6		3	1	4
23 " " 24		1	1	2	425 " " 450		1	1	2	5.6 " " 5.8		2	1	3
24 " " 25		1	3	4	450 " " 475			3	3	5.8 " " 6.0		2	1	3
25 " " 26		1	1	2	475 " " 500			2	2	6.0 " " 6.2		1	1	2
26 " " 27			1	1	500 " " 525			1	1	6.2 " " 6.4		1	1	2
27 " " 28			1	1	525 " " 550			1	1	6.4 " " 6.6		1	2	3
28 " " 29			2	2	550 " " 575			1	1	6.6 " " 6.8		1	1	2
29 " " 30			1	1	575 " " 600			1	1	6.8 " " 7.0			1	1
30 " " 31			1	1	600 " " 625			1	1	7.0 " " 7.2			1	1
31 " " 32					625 " " 650			1	1	7.2 " " 7.4			1	1
32 " " 33					650 " " 675			1	1	7.4 " " 7.6			1	1
33 " " 34					675 " " 700			1	1	7.6 " " 7.8			1	1
34 " " 35										7.8 " " 8.0			1	1
35 " " 36										8.0 " " 8.2			1	1
36 " " 37										8.2 " " 8.4			1	1
37 " " 38										8.4 " " 8.6			1	1
38 " " 39										8.6 " " 8.8			1	1
39 " " 40										8.8 " " 9.0			1	1
40 " " 41			1	1						9.0 " " 9.2			1	1
41 " " 42										9.2 " " 9.4			1	1
										9.4 " " 9.6			1	1
										9.6 " " 9.8			1	1
										9.8 " " 10.0			1	1
										10.0 " " 10.2		1		1
										10.2 " " 10.4			1	1
										11.8 " " 12.0		1		1
Total	16	16	16	48	Total	16	16	16	48	Total	16	16	16	48

of the department has some value in the contrasts it affords with selling costs in other divisions of the same store.

Our next inquiry concerns the relation of selling costs in house furnishings to the cost of selling women's ready-to-wear and women's hosiery in the same store. Does a store tend to have low selling costs in all departments? This question may be answered by grouping house furnishings departments according to selling costs and placing opposite each store number the percentage of selling costs in ready-to-wear and hosiery. We may then use the findings of previous chapters to determine what are high and low selling costs in each department.

TABLE 91

COMPARISON OF SELLING COST PERCENTAGES IN THREE DEPARTMENTS IN THE SAME STORES

Firm Number	House Furnishings	Hosiery	Women's Ready-to-Wear
79	3.8	3.6	4.1
02	4.1		4.5
20	4.3	4.1	3.7
21	4.6	3.2	3.6
66	4.6	4.2	4.9
48	5.3	4.4	4.2
72	5.4	5.1	4.3
15	5.5	4.3	5.6
99	5.5	3.7	3.6
98	5.8	4.3	4.4
25	5.8	3.3	3.6
63	5.9	3.3	4.8
57	6.0	4.1	4.0
93	6.2	4.4	4.8
24	6.3	4.0	3.4
59	6.5	4.2	4.4
77	7.0	5.0	4.7
49	7.3	4.8	4.6
92	7.4	4.7	4.1
85	8.3	4.5	4.6
54	9.8	5.3	5.3

The house furnishings departments have higher selling costs than either hosiery or ready-to-wear departments in all but four participating stores. The differences are not minor. Selling costs in a few cases are as much as 50 per cent higher. Only five of the house furnishings departments have a ratio of selling wage bill to net sales of less than 5 per cent; seven have costs of 5 to 6 per cent, and nine are above 6 per cent. In the other two selling departments, only three hosiery units and two ready-to-wear are above 5 per cent and most are below 4.5. Selling costs in hosiery and ready-to-wear departments vary slightly within the same establishment; by contrast, house furnishings varies extremely.

For hosiery departments in this study:

Low selling costs were found to be 3.9 per cent or less;
Average selling costs were found to be 4.0 to 4.4 per cent;
High selling costs were found to be 4.5 per cent and over.

For women's ready-to-wear:

Low selling costs were found to be 4.1 per cent or less;
Average selling costs were found to be 4.2 to 4.5 per cent;
High selling costs were found to be 4.6 per cent or over.

For house furnishings:

Low selling costs were found to be 5.0 per cent or less;
Average selling costs were found to be 5.1 to 6.1 per cent;
High selling costs were found to be 6.2 per cent or over.

The stores with low costs in house furnishings tend also to have low costs in their other departments, except two ready-to-wear units. With two exceptions the stores within average limits in house furnishings are either low or average in hosiery and ready-to-wear.

In the eight stores with extremely high costs in house furnishings, five are also high cost in hosiery and ready-to-wear. Two firms, however, high in house furnishings, are in the lowest cost rank in ready-to-wear.

The comparison of selling costs does show that there is a tendency for firms which are able to operate with low costs in one department to be among those low in others. Where there are exceptions, the study of house furnishings

may be useful in pointing out a problem within the organization.

TABLE 92

COMPARISON OF AVERAGE WEEKLY NET SALES IN THREE DEPARTMENTS IN THE SAME STORES

Firm Number	House Furnishings	Hosiery	Women's Ready-to-Wear
21	$562	$879	$860
66	460	379	440
72	452	417	500
02	449		497
79	416	584	717
20	389	451	529
48	374	515	595
25	374	629	744
99	371	594	673
77	364	244	556
98	344	420	499
49	319	435	621
24	319	452	709
93	299	467	461
15	293	420	359
59	265	359	572
63	264	520	466
92	257	326	509
57	251	458	765
54	210	414	472
85	178	361	486

Average weekly net sales per employee are lower in all but two stores in house furnishings than in the other two departments. Firms 66 and 77 show a quite unusual operation of the house furnishings unit by contrast with their showing in hosiery.

Because net sales are low and selling costs relatively high in house furnishings, it does not follow that earnings will be sympathetically low. Actually, stores have to raise the rates upon which quotas and commissions are figured when they determine upon the compensations of sales persons in furnishings. The result is that average weekly earnings for this unit are conventionally about midway between those received in ready-to-wear and in hosiery in about two-thirds of these departments. They are lower than in either of the other units in other cases.

TABLE 93

COMPARISON OF AVERAGE WEEKLY EARNINGS IN THREE DEPARTMENTS IN THE SAME STORES

Firm Number	House Furnishings	Hosiery	Women's Ready-to-Wear
21	$25.84	$27.80	$30.93
77	25.42	12.28	26.30
72	24.46	21.36	21.49
49	23.43	20.93	28.82
25	21.66	20.93	27.13
66	20.98	15.89	21.39
99	20.54	22.24	23.96
54	20.50	22.03	24.99
24	20.18	17.90	23.84
98	19.78	17.91	21.77
48	19.65	22.83	25.05
92	19.04	15.30	20.97
93	18.63	20.30	21.90
02	18.51		22.38
59	17.13	14.96	25.45
20	16.75	18.46	19.83
15	16.19	18.04	20.14
79	15.68	21.02	29.10
63	15.63	17.09	22.31
57	15.01	18.74	30.58
85	14.77	16.08	22.53

CHAPTER XIII

SEASONAL FACTORS IN COMPENSATION IN HOUSE FURNISHINGS DEPARTMENTS

The seasonal variations, so far as one may judge from the monthly sales of entire departments, are moderate within the same store, compared with those observed in some of the other departments in this study. If the differences between individual departments in the same month are stressed, one would conclude that the monthly distribution of net sales in house furnishings departments are very irregular from store to store.

The range between stores in the same month makes for uncertainty in locating medians or averages. April was the only month when the range of distribution of the 14 firms with complete records [1] was not equal to or greater than the range of medians during the entire year. Generalizations about the trend of variations are, therefore, hard to make because there are so many exceptions.

September, October, and November are about equal in opportunity to make sales, with 9 to 10 per cent of the total business of the year done in each month. December was unquestionably the month of highest sales. No store reported less than normal sales in this month. The median for the group was as high as 11.9 per cent. This was the only pronounced peak in sales. It was followed by two dull months. January had but 6.3 per cent of the year's total sales and February 6.0 per cent. All stores shared in this recession in the two opening months of 1929. Only two departments made more than 8 per cent of their annual net sales in January and in February just one reported over 8 per cent. During the next four months the amount of net sales tended to move gradually upward, reaching 9 per cent of the year's total in June. The last two months, July and August, dipped well below the average of the year.

[1] One store gave up its house furnishings department; some others did not start their reports for this unit at the beginning of the study.

TABLE 94

DISTRIBUTION OF PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 14 HOUSE FURNISHINGS DEPARTMENTS

Per Cent of Annual Business	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
14.0 and under 15.0				1								
13.0 " " 14.0				3								
12.0 " " 13.0		1		3						2		1
11.0 " " 12.0	1	2	1	3			1	4		2	1	2
10.0 " " 11.0	1	2	4	2	1		1		2	3		1
9.0 " " 10.0	6	5	3	1	1	1	2		4	2	1	2
8.0 " " 9.0	1	1	2	1			3	3	6	2	6	
7.0 " " 8.0	4	2	2		1	3		3	1	2		3
6.0 " " 7.0		1	1		5	3	6	4	1	1	4	4
5.0 " " 6.0	1				4	6				2	2	1
4.0 " " 5.0			1		1	1	1					
3.0 " " 4.0					1							
Median	9.3	9.5	9.1	11.9	6.3	6.0	7.5	8.0	8.8	9.0	7.1	6.7

Chart XLVIII shows the trend of variation already described. If an attempt were made to group months together as a basis for calculating commissions, it seems as though four months would be the shortest time in which sales tend to approximate the average of the year. From the medians the grouping would be as follows: December, January, February and March; April, May, June and July; August, September, October and November. These would not be the most uniform periods in all the stores, but they would be in most. Whether this grouping would be the most equitable for combinations of merchandise within departments is another question. One wonders how quota-bonus stores which treat this department as a single unit overcome the obvious difficulties in seasonal demand. The table showing monthly variation in demand indicates that there is a tendency for firms to divide into two groups in the spring and summer months. August is the best example: eight departments, and therefore the median, are below 7 per cent, but six departments are above 8 per cent. March is similar, with

seven departments below 7 per cent and seven above 8 per cent.

Monthly fluctuations in selling cost are given for each store. Variations are best noted in individual cases.

Most of the reporting firms did not employ part-time clerks in the house furnishings departments. Of the 14 with complete records for the year, eight had no part-time sales

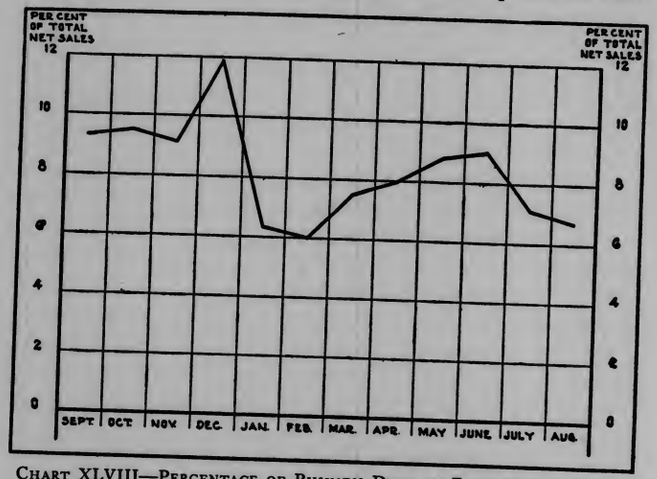

CHART XLVIII—PERCENTAGE OF BUSINESS DONE IN EACH MONTH BY ALL EMPLOYEES IN HOUSE FURNISHINGS DEPARTMENTS

persons. Only two firms reported part-time employees in each of the twelve months.

On the other hand, the departments which did not use any part-time employees employed more temporary short-service clerks. The twelve-months employees seem to be more important in the stores using part-time and per diem clerks. The samples are small in both cases, but it is significant that half of the stores not using auxiliary clerks sell less than 50 per cent of the merchandise by twelve-months employees. In the other group of departments, employing clerks on part-time schedules, there is only one in

TABLE 95

MONTHLY PERCENTAGES OF SELLING COST IN 21 HOUSE FURNISHINGS DEPARTMENTS

(All Employees)

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Straight Salary												
15....	4.4	5.4		5.3	5.2	9.4	7.3	5.9	4.8	5.3	4.3	7.5
24....	4.3	6.9	7.8	6.0	7.1	7.5	6.4	5.3	6.6	6.2	11.7	
57....		6.0	5.9	4.7	10.7	6.9	5.9	4.8				
59....	6.6	6.5	6.9	5.8	7.8	7.2	6.7	6.1	5.3	5.6	7.5	6.5
63....	4.7			5.4	8.4	6.5	7.6	5.0	6.0	5.8	6.1	4.8
77....	3.2	6.5	12.8	5.2	9.7	19.8	13.0	6.9	8.7	6.8	10.7	
85....	8.4	9.0	10.1	6.3	9.9	8.8	7.2	8.0	9.1	8.0	7.8	8.1
92....	7.8	7.5	9.9	10.4	10.7	12.1	7.0	6.9	3.9	4.7	4.5	5.8
93....	5.7	6.6	6.8	5.3	8.3	8.2	6.6	5.8	5.2	5.0	5.9	7.4
Salary Plus Commission												
02....	3.3	3.6	4.0	3.7	6.9	5.0	4.8	4.2	4.5	3.7	4.0	3.7
20....	3.5	5.0	4.0	3.1	6.2	5.9	4.3	3.9	3.6	4.1		4.4
21....	3.8	3.9	4.3	3.7	4.9	4.8	4.9	4.7	4.7	4.5	6.0	5.0
25....	4.8	4.9	5.5	5.3	7.6	6.1	6.7	5.6	5.5	5.6	6.9	8.1
54....	8.5	8.2	10.1	8.7	13.3	12.3	10.9	11.9	8.8	7.7	10.3	9.8
72....	5.5	5.3	6.2	4.5	7.4	7.2	6.1	4.8	4.7	4.0	5.2	6.0
Quota-Bonus												
48....	4.8	5.5	5.6	5.3	5.3	5.0	5.5	5.0	5.4	5.0	5.4	5.6
49....	7.9	7.2	8.2	6.6	8.6	8.8	7.2	5.1	7.7	6.5	8.3	7.7
66....	5.2	4.4	5.2	4.0	6.2	4.7	3.6	4.8	3.4	4.3	4.9	4.0
79....	3.4		3.8	4.4	4.2	3.8	3.6	3.6	3.5	4.3	3.8	3.4
98....	5.4	5.3	6.5	5.2	5.6	6.1	5.9	6.0	6.1	6.2	6.1	5.5
99....	5.8	4.2	4.3	4.1	5.5	5.8	6.0	6.9	4.0	3.8	6.8	6.1

which the twelve-months employees do not make over 50 per cent of the total net sales. The use of short-service employees in the two groups of departments seems to be inverse to the use of twelve-months clerks. This fact may indicate that the effective use of part-time selling is a factor in reducing turnover among full-time employees.

For an illustration of the selling by part-time employees, the charts of firms 2 and 21 may be given (Chart XLIX). Firm 2 made 85.5 per cent of its annual sales by employees

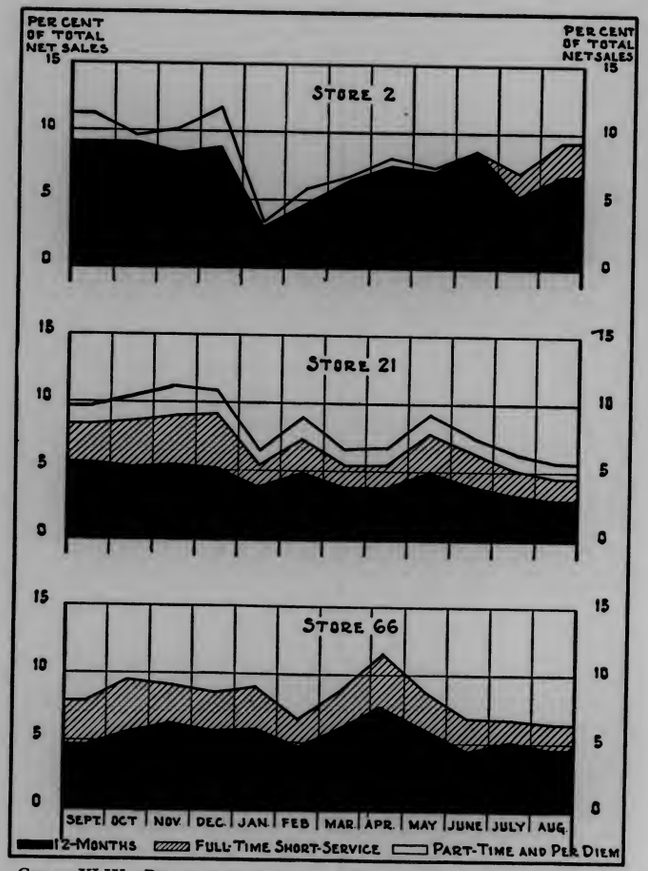

CHART XLIX—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN HOUSE FURNISHINGS DEPARTMENTS

on the roll in each of twelve months. Only 4 per cent of its sales were made by short-service employees and this in the summer vacation period. During the busy fall months, the policy of using part-time clerks for the congested hours of the day is quite marked in the white area of the chart.

Firm 21 on plate XLIX also used a few more part-time workers in the autumn, but in this period it also has an increase in the ratio of business handled by short-service employees who account, in the year, for as much as 30 per cent of the department's sales. In this firm full-time clerks sell about the same proportion of the year's total in each of the four consecutive months and also in February and May. The dips of the other months follow the contour of the total sales of all clerks.

Firm 66 has an active seasonal peak in April not evident in other stores. The twelve-months group makes the same

TABLE 96

SELLING COST AND PROPORTION OF TOTAL NET SALES BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN HOUSE FURNISHINGS DEPARTMENTS

Store Number	Selling Cost Percentage			Proportion of Net Sales		
	12-Months Full-Time	Part-Time and Per Diem	Full-Time Short-Service	12-Months Full-Time	Part-Time and Per Diem	Full-Time Short-Service
02.....	4.2	3.7	3.5	85.5	10.2	4.3
15.....	5.5		5.5			
20.....	4.3	2.0	4.3			
21.....	4.6	3.8	4.5	52.7	17.2	30.1
24.....	6.7		6.1			
25.....	5.5		6.2	62.2		37.8
48.....	5.2	4.2	5.3	53.7	0.5	45.8
49.....	7.4	6.5	5.7	86.1	9.2	4.7
54.....	7.9		10.9	38.1		61.9
59.....	5.7		7.3	54.1		45.9
63.....	5.7	5.6	6.5			
66.....	4.3		5.0	66.8		33.2
72.....	4.1		5.8	21.1		78.9
77.....	8.7		2.0			
79.....	3.7		4.0			
85.....			8.3			100.0
92.....	7.5	6.8	7.4	16.6	2.8	80.6
93.....	6.3		6.2	38.2		61.8
98.....	5.4		6.7	72.4		27.6
99.....	5.5	3.3		75.3	24.7	

proportion of the sales in April as in normal months, namely two-thirds of the total. The selling cost of those continuously on the roll is 43 per cent, that of the temporary clerks 5.0 per cent. Firm 25 has marked regularity in four consecutive months beginning in February. Like 66, its selling costs are lowest for those employed in all months, being 5.5 per cent for twelve-months and 6.2 per cent for short-service clerks.

Firms 93 and 98 show up and down swings in sales and a contrast in policy or labor turnover. Firm 93 has a high proportion of its sales by short-service clerks, but the policy seems justified by the fact that it operates with about the same selling cost for both groups, whereas 98, which gets 72 per cent of its sales from the work of clerks continuously employed, has selling costs of 5.4 for twelve-months clerks and 6.7 per cent for temporary.

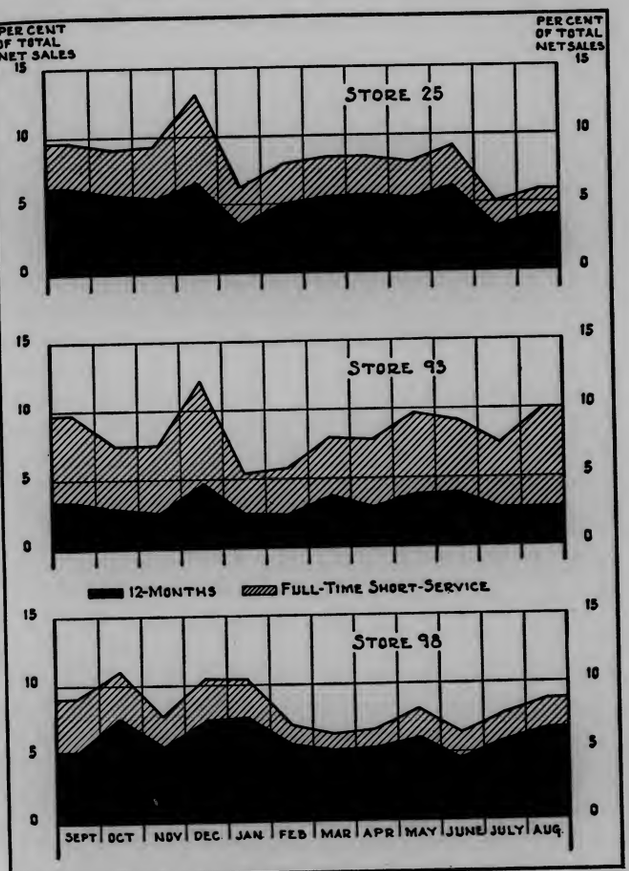

CHART L—PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH BY EMPLOYEES ON DIFFERENT TIME SCHEDULES IN HOUSE FURNISHINGS DEPARTMENTS

CHAPTER XIV

RETURNS IN HOSIERY AND READY-TO-WEAR DEPARTMENTS

The desirability of judging the performance of sales clerks on facts other than the amount of net sales has suggested the use of returns as a measure of efficiency. Since they are expressed as a percentage of gross sales, they represent that proportion of merchandise which did not "stay sold." Under plans of remuneration based upon sales, such as salary plus commission, quota-bonus, and straight commission, the factor of returns has been considered in that net sales are used for computing total earnings.

Wages of sales clerks working under these methods of payment may be affected also by returns which cannot definitely be deducted from the sales of a particular clerk. Such unidentified returns may be handled in a variety of ways. The answers on the Method of Payment Questionnaire to the inquiry of how such cases are treated show that there is a noticeable lack of uniformity in the methods used. About one-half of the stores prorate such losses equally among the employees, part-time and per diem clerks usually being excepted. Very few stores use earnings or net sales as a basis for apportioning unidentified returns. On the other hand, a considerable proportion of the stores assume the burden of such losses or charge them to the department head or buyer, thus freeing the rank-and-file of sales clerks from reduction of earnings.

The whole problem of returns has been discussed by store executives attempting to decide *a priori* what causes high returns. Investigators, after tabulating reasons given by customers when bringing goods back, have concluded that many returns could be avoided by educating sales clerks and

customers. Such conclusions, however, have usually been based on the experience of one store. This study provides the opportunity to compare the experiences of individual clerks in many stores. In addition to the reports of firms coöperating in the sales and earnings study, the data compiled by the Committee on Returns have been made available. The two sets of data supplement each other: one gives a view of returns from year to year; the other gives a detailed analysis of returns by individuals within a year. Thus we can determine differences among stores and among individuals within stores as well as changes from year to year.

This wider point of view gives us a basis for judging the effect of store policies. It seems as though factors within the store but outside the control of the clerk affect returns. Are returns made to the sales clerk or to an adjustment bureau? Is it a policy of the store to be liberal with the return privilege? Are many sales made on credit?

It has been argued that clerks, in an effort to make high sales, encourage customers to take merchandise which is not exactly what they wanted. High pressure salesmanship! Is such a condition caused by an incentive payment plan or is it occasioned by the policy of the management? Has too much attention been given to service in connection with volume of business? The answers to all of these questions cannot be deduced from this study.

Before examining the data, the reader must realize that there is no agreement as to the definition of returns, the dispute being over the extent to which exchanges should be included. The method used makes no difference when considering the problem within a store, but lack of uniformity among the stores complicates the comparison of one store with another. The inclusion of exchanges does not affect the earnings of sales clerks, but it does increase the spread between gross and net sales.

The study of returns has been confined to women's hosiery and ready-to-wear departments. The small number of firms reporting returns in the men's wear and miscellaneous house

furnishings departments makes it impossible to reach definite conclusions there. The discovery of trends in two departments, however, suggests the probability of the same trends elsewhere.

The records of returns for the years 1924 to 1928 inclusive show the necessity for studying the problem. The detailed tables showing the distribution of the different departments by percentage of returns are printed in the appendix. The hosiery departments generally have had a fortunate experience in that the median percentage of returns for each year has been around 3 per cent. Nevertheless, about one-seventh of the departments had returns of 6 per cent or more. The ready-to-wear departments, except dresses, reported an increasing rate of returns. This is the real contrast between hosiery and ready-to-wear units. The higher percentage of returns in the latter seems inherent in the merchandise. The returns for full-time clerks reported in the departments intensively studied are distributed in about the same way as those reported to the association's committee. The two samples seem, therefore, to be adequate.

The hosiery departments for which detailed records were furnished have been classified in Table 97 by method of payment and annual volume of sales.

The distribution of the firms shows that there is no correlation between percentage of returns and method of payment. The medians in each case are within four-tenths of one per cent of each other. The two firms with highest returns pay a straight salary to the clerks in the hosiery department.

When the same departments are classified on the basis of their annual net sales, it seems evident that the percentage of returns of a department is related to its size. Of the six stores whose returns were 4.0 per cent or more, five had annual net sales of over $240,000. The median also shows the same tendency, with an increase of one-half of one per cent from small to medium-sized departments and a further increase of 2.0 per cent from medium to large-sized units.

TABLE 97

PERCENTAGES OF RETURNS IN HOSIERY DEPARTMENTS

(Full-Time Employees)

Percentage	Method of Pay			Annual Volume			Total
	Straight Salary	Salary Plus Commission	Quota-Bonus	Small	Medium	Large	
Under 1.0	1			1			1
1.0 and under 2.0		2	3	2	1	2	5
2.0 " " 3.0	4	3	4	2	7	2	11
3.0 " " 4.0							
4.0 " " 5.0			2			2	2
5.0 " " 6.0		1	1			2	2
6.0 and over	2				1	1	2
Not given	3	2	1	3	2	1	6
Total	10	8	11	8	11	10	29
Median	2.6	2.2	2.5	1.9	2.4	4.4	2.4

Let us test the conclusion that returns are not affected by method of payment but by the size of the department by examining the records of the ready-to-wear departments as shown by Table 98. The findings based on the hosiery department are strengthened by the discovery of the same tendencies in the ready-to-wear group. There is more diversity among these departments than in hosiery, but such a condition is typical. The tables of returns in women's coats, dresses, and suits (Tables 81, 82, and 83 in the appendix) as tabulated from the data gathered by the Committee on Returns show variations from 4 to 40 per cent and rates above 20 per cent are not uncommon.

When classified by wage plans, the ready-to-wear group shows that the median for salary departments is 2 per cent higher than either the salary plus commission or quota departments. Although the data of returns for the salary stores are available for only five departments, the range is as wide as in the other two classes of stores. The salary group has no case of less than 9.0 per cent of returns; there are four under 6.0 per cent in different plans of payment. The dis-

TABLE 98

PERCENTAGES OF RETURNS IN READY-TO-WEAR DEPARTMENTS
(Full-Time Employees)

Percentage	Method of Pay			Size of Store			Total
	Straight Salary	Salary Plus Commission	Quota-Bonus	Small	Medium	Large	
4.0 and under 6.0		2	2	2	2		4
8.0 " " 10.0	2		1	1	1	1	3
10.0 " " 12.0		1	2	2	1		3
12.0 " " 14.0			1			1	1
14.0 " " 16.0			2	1	1		2
16.0 " " 18.0	1		1	1		1	2
18.0 " " 20.0		1			1		1
20.0 " " 22.0		1	1		1	1	2
22.0 " " 24.0			2	1		1	2
24.0 and Over	2	1	1		1	3	4
Unknown		4	3	4	2	1	7
Total	5	10	16	12	10	9	31
Median	16.5	14.5	14.3	11.0	13.0	21.6	15.1

tribution at the other end of the range displays the same tendency: two of the five salary stores are above 24.0 per cent, but only two of the remaining 19 are as high. The method of paying the clerks does not increase or decrease the percentage of returns.

The positive conclusion reached in the consideration of the hosiery department that higher returns accompany high sales still remains to be verified. The second part of Table 98 shows the division of the ready-to-wear departments by the volume of annual net sales. The median increases 2 per cent from small to medium-sized departments and 8.6 per cent more from medium to large-sized departments. The distribution of the stores at the different percentages of returns emphasizes this finding of positive correlation between percentage of returns and volume of sales.

Does this mean that high sales must cause high returns? We do not think so, especially since several large stores have few returns. The explanation of the correlation between

volume of sales and returns lies in the policies of the different managements. In a large store the contact between the sales clerk and the customer who returns merchandise is minimized. The large volume of sales makes each return seem insignificant: the result is careless purchasing by the customer and less stringent examinations of returns by the store. Correlation of large sales volume with high returns can be attributed to common causes affecting both rather than to a cause and effect relationship of sales to returns.

The fact that management of the store rather than the clerks themselves determine the level of returns can be seen by studying the individual clerks within the department. Store 20, which has low returns, has only one-twelfth of their employees with returns above 9 per cent. The distribution in store 79 is in decided contrast: no employee had less than 8 per cent returns and only one-twelfth less than 14 per cent. Thus it can be seen that there is a wide range of percentages of returns within each store, but they tend to center around a level determined by the store itself. The variations between returns of merchandise sold by different clerks may be caused by the individual, but the average for the department seems to be influenced mainly by store policy.

Wherever possible, the clerks in hosiery and ready-to-wear departments were divided into three groups according to their average weekly net sales. The small hosiery departments had too few clerks for subdivision. One large department in hosiery and ready-to-wear reported returns for only part of the study and could not, therefore, be included in the closer analysis of the stores. The distribution of percentage of returns to these three groups of clerks in each store is tabulated in Tables 99 and 100.

The fact that the medians of the thirds tend to approximate the median of each group shows that the level of returns is determined by the store. What is even more important is the fact that high individual net sales do not seem to cause high individual returns. Except in the case of the small ready-to-wear departments, employees with the high-

TABLE 99

PERCENTAGE OF RETURNS IN HOSIERY DEPARTMENTS
(Full-Time Employees by Net Sales Thirds)

Percentage of Returns	Medium Stores			Large Stores		
	Lower	Middle	Upper	Lower	Middle	Upper
Under 1.0		1				1
1.0 and under 2.0	1	3	1	1	2	2
2.0 " " 3.0	3	2	6	1	1	
3.0 " " 4.0	4	2	1	2		1
4.0 " " 5.0						1
5.0 " " 6.0				3	3	2
6.0 " " 7.0	1	1			1	
7.0 " " 8.0			1			
8.0 " " 9.0						1
9.0 " " 10.0					1	
10.0 " " 11.0						
11.0 " " 12.0						
12.0 " " 13.0				1		
Total	9	9	9	8	8	8
Median	3.2	2.1	2.4	4.3	5.3	4.1

TABLE 100

PERCENTAGES OF RETURNS IN READY-TO-WEAR DEPARTMENTS
(Full-Time Employees by Net Sales Thirds)

Percentage of Returns	Small Stores			Medium Stores			Large Stores		
	Lower	Middle	Upper	Lower	Middle	Upper	Lower	Middle	Upper
4.0 and under 6.0	1	2	2		1	2			
6.0 " " 8.0	1			2	1	1			
8.0 " " 10.0	3		1		1				1
10.0 " " 12.0		3	1	1	1	1		1	1
12.0 " " 14.0	1		1	1	1		2	1	
14.0 " " 16.0	1	1		1		1			1
16.0 " " 18.0		1	2	1				1	
18.0 " " 20.0				1	2		1	1	
20.0 " " 22.0						2	1		1
22.0 " " 24.0		1	1				1	1	1
24.0 " " 26.0								1	1
26.0 " " 28.0	1				1			1	1
28.0 " " 30.0							2		
30.0 " " 32.0									
32.0 " " 34.0				1		1			
Total	8	8	8	8	8	8	7	7	7
Median	9.7	10.6	11.4	13.7	12.2	13.4	21.3	19.2	20.7

est average weekly net sales had a slightly lower percentage of returns than employees in the lower third.

Wherever possible we have checked conclusions drawn from the data reported monthly by the coöperating stores with the results of the reports to the Committee on Returns. By combining these reports and the questionnaire on methods of wage payment, we were able to consider the cases where the same store answered both inquiries. For example, we were able to combine the method of payment used in the department with the returns for the department. These checks only serve to corroborate our findings.

Briefly, the conclusion is that while there are differences in the returns of individual sales clerks within departments, those with high returns are no more likely to be those with high net sales than to be those with low sales. Besides, if the percentage of returns in a department is relatively high there will be no employees with extremely low returns.

CHAPTER XV

RELATION OF LENGTH OF SERVICE AND AGE TO COMPENSATION

In previous sections attention was given to the wide range both in earnings and sales of employees in the same departments. It was shown that in hosiery departments the extreme difference in earnings within each department was not wholly caused by short-service employees, since the range in earnings was reduced in only three stores by omitting the sales clerks of less than three months' service. The same procedure in ready-to-wear departments reduced the range in less than one-sixth of the stores. This method of showing the effect of length of service is too crude to be an answer to the whole question of the effect of length of service upon earnings. Consequently a more thorough study of the effect of length of service in these two departments which are included in more stores and which have more employees than the others was attempted. Both departments employ women as sales clerks.

There is quite a contrast in length of service in these departments. In the hosiery department, except in small stores, 11 to 13 per cent of all the full-time employees who appeared on the roll during the year remained less than one month; the ready-to-wear department had not more than 5 per cent with less than a month's service. The difference in the two departments is accounted for by the way the fluctuations in business are distributed. The hosiery departments have a concentrated peak of business in December. The ready-to-wear departments have three or four consecutive months of well-sustained business at about the same level.

The two departments differ much less in the proportion

of employees of more than one year of service than they do in short-service. The large stores in both departments have about 55 per cent, the middle-sized two-thirds, and the small nearly three-fourths.

Length of Service and Earnings

One might assume that length of service would have a definite bearing on earnings because increased tenure of position would result in increased earnings either as a reward for staying with a store or as the outcome of increased experience which brought with it greater productivity.

Analysis of earnings and length of service of all sales clerks in the hosiery departments fails at first sight to bear out this assumption if one deals with all employees in a group of departments.[1] At every earnings interval and under every classification for length of service, the range is so great as to result in wide scattering of items. For instance, of 166 individuals in the medium-sized group of stores, 30 are averaging $15.00 per week under any of the three methods of payment. Their length of service ranges from two weeks to over ten years. There are 25 clerks who have been in their respective stores one month but less than three and their earnings vary from $11.00 to $22.00. Twenty who have worked two years earned from $13.00 to $20.00. In the large-sized group of stores, 28 of the 250 with length of service reported earned $16.00 per week. They had worked from less than one week to over 12 years. The 32 clerks who had served one month and less than three were paid anywhere from $11.00 to $31.00 per week and the 36 with one year's length of service earned from $13.00 to $36.00. The entire range of service in the group was from less than one week with $16.00 and $17 pay to 28 years with $25.00.

[1] The length of service referred to here and later, unless specifically noted, covers the time spent in the store rather than in the department. The choice was made on the grounds that even in those cases in which some of the time was not devoted to selling, it still supplied valuable training and should be considered as part of the background, enabling the clerk to be worth, or to earn, higher wages.

Some reason for these wide ranges has been revealed in the previous discussion of average weekly earnings in hosiery departments. There it was pointed out that some stores were paying less than $18.00 and others $21.00 and more. It is not strange therefore that the low earnings in one store should be equal to the high earnings in another and that equal lengths of service in different stores should result in earnings so widely divergent.

The best way to relate length of service to earnings would be to consider each store separately. This is prohibitive because there are too few employees in some stores for subdivision into length of service classes. However, by using the earnings levels within each store as standard for the employees within the store—that is, using the same earnings thirds which were the bases of discussion in earlier chapters—the data for each store can be grouped with those of stores of similar size. Forty-three per cent of those classified as low-wage in the medium-sized stores had been there less than three months. Only 20 per cent of the middle wage group and only 3.5 per cent of the upper group had as little experience in the store from which they were reported. Sixty-eight per cent, 31 per cent, and 7 per cent of each group had not worked one year. Thirteen, 20, and 62 per cent, however, had worked five years and more. There is a qualification which applies to certain stores of moderate size and very stable force. When all of the employees have been on the roll a considerable time, the low wage group must contain clerks with long service because there are no short-service employees. One-half of the low wage group had been employed less than six months while the middle and upper wage groups had one-half under three years and under seven years respectively.

Similar analysis of the clerks in the large-sized group of stores reveals 40, 17, and 8 per cent of the respective wage groups with less than three months' service: 64, 45, and 16 per cent with less than one year's, and 12, 17, and 42 per cent with more than five years'. One-half of the em-

TABLE 101

CUMULATIVE PERCENTAGES BY LENGTH OF SERVICE OF FULL-TIME EMPLOYEES IN HOSIERY DEPARTMENTS

Length of Service	Small	Medium				Large				Grand Total
	Total	Wage Groups			Total	Wage Groups			Total	
		Lower	Middle	Upper		Lower	Middle	Upper		
Under 1 week						1.9			0.8	0.4
" 2 weeks		3.7			1.9	7.7			3.2	2.4
" 3 "		12.3	2.0		6.9	20.3	1.2		8.8	7.3
" 4 "		21.0	8.1		13.2	21.3	6.1	1.5	11.2	10.8
" 3 months	8.9	43.2	20.3	3.5	28.9	39.7	17.1	7.8	24.1	24.3
" 6 "	11.1	54.3	24.4	3.5	35.8	51.4	25.7	10.9	32.5	31.6
" 1 year	26.7	67.9	30.5	6.9	45.3	64.0	45.2	15.6	45.4	43.5
" 2 years	53.4	76.6	48.9	10.3	56.0	77.6	59.7	31.2	59.9	57.8
" 3 "	60.1	81.5	69.3	31.0	68.6	82.5	74.4	40.6	69.2	68.0
" 4 "	73.4	86.4	79.5	34.4	74.9	86.4	79.3	50.0	74.8	74.6
" 5 "	77.9	86.4	79.5	37.8	75.5	88.3	83.0	57.8	78.8	77.5
" 6 "	89.0	88.9	83.6	48.2	79.9	89.3	85.4	62.5	81.2	81.5
" 7 "	93.4	91.4	83.6	55.1	82.4	93.2	86.6	65.6	84.0	84.4
" 8 "	95.6	91.4	85.7	62.0	84.3	93.2	87.8	68.8	85.2	85.9
" 9 "	95.6	91.4	87.7	68.9	86.2	93.2	90.2	73.4	87.2	87.7
" 10 "	97.8	91.4	89.8	68.9	86.8	93.2	92.7	79.7	89.6	89.5
" 11 "	97.8	92.6	91.8	82.7	90.6	94.1	95.2	87.5	92.8	92.6
11 years and Over	2.2	7.4	8.2	17.3	9.4	5.9	4.8	12.5	7.2	7.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

ployees in the different wage groups have service of less than six months, two years, and four years respectively. The larger stores, because they can absorb more individuals and are usually situated in metropolitan areas with more mobile labor markets, have more short-service people than do the smaller stores.

It is interesting to note in this connection that over 80 per cent of the employees in the medium-sized stores whose previous experience was known had sold in other stores, while less than 75 per cent of the clerks in the large stores, except those in the middle wage group, had sold elsewhere.

The same tendency to increased earnings by the standard of the store, with increased length of service, is apparent in the ready-to-wear departments. As will be seen in Table 102, the three earnings groups in the small-sized stores have 48, 20, and 15 per cent of employees with less than one year of service while the two larger groups of stores have 49, 23, and 20 per cent and 66, 47, and 23 per cent respectively. These figures not only demonstrate the difference

TABLE 102

CUMULATIVE PERCENTAGES BY LENGTH OF SERVICE OF FULL-TIME EMPLOYEES IN READY-TO-WEAR DEPARTMENTS

Length of Service	Small				Medium				Large				Grand Total
	Wage Groups			Total	Wage Groups			Total	Wage Groups			Total	
	Lower	Middle	Upper		Lower	Middle	Upper		Lower	Middle	Upper		
Under 1 week			2.5	0.7	1.3		0.9	0.8	2.3	0.4	1.3	0.9	0.6
" 2 weeks		1.8	2.5	1.4	1.3	0.7	0.9	1.0	4.3	0.8		2.1	1.6
" 3 "	6.0	1.8	2.5	3.5	2.6	0.7	2.7	2.0	6.3	3.0	2.6	4.0	3.0
" 4 "	6.0	1.8	2.5	3.5	2.6	0.7	8.0	10.0	9.0	3.4	2.6	5.1	3.9
" 3 months	24.0	5.5	7.5	12.5	17.0	3.7	16.9	20.3	31.4	17.3	8.5	19.5	15.8
" 6 "	36.0	9.2	10.0	18.7	26.1	16.4	20.5	32.3	50.7	32.7	13.5	33.1	27.6
" 1 year	48.0	20.3	15.0	28.4	49.0	23.1	31.2	46.8	65.6	47.3	23.0	40.3	40.1
" 2 years	74.0	38.8	22.5	46.4	64.7	39.5	41.9	60.8	79.8	63.0	36.5	60.9	55.0
" 3 "	80.0	49.9	37.5	56.8	77.8	57.4	50.8	67.8	86.1	69.9	50.0	69.6	65.5
" 4 "	84.0	61.0	47.5	65.1	81.7	66.4	58.8	74.6	89.6	75.8	59.9	75.9	72.2
" 5 "	86.0	66.6	55.0	70.0	88.9	71.6	63.2	78.1	92.0	80.2	64.0	79.5	76.9
" 6 "	88.0	72.2	67.5	76.2	92.2	74.6	65.0	81.6	93.2	83.9	70.3	83.1	80.8
" 7 "	90.0	77.8	70.0	79.7	95.5	79.8	67.7	83.1	94.8	89.0	74.4	86.7	84.4
" 8 "	90.0	81.5	72.5	81.8	96.1	81.3	71.3	85.4	96.0	90.8	75.3	88.0	85.9
" 9 "	94.0	88.9	72.5	86.0	96.1	85.0	75.8	87.7	96.0	91.5	79.4	89.5	87.9
" 10 "	98.0	92.6	77.5	90.2	96.7	87.2	77.6	88.7	96.8	92.6	82.1	91.0	89.9
" 11 "	98.0	94.4	80.0	91.6	98.0	87.2	77.6	88.7	97.2	93.3	85.3	92.3	91.1
11 years and over	2.0	5.6	20.0	8.4	2.0	12.8	22.4	11.3	2.8	6.7	14.7	7.7	8.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

between the wage groups but also emphasize the same tendency which was apparent in the hosiery departments for the larger stores to employ more short-service people. This will be partially explained later by considering turnover figures. A hint that it may be due to employment policy is found in the proportion of clerks without previous selling experience who are hired by the stores. Omitting the clerks whose experience is unknown, we find 19, 15 and 27 per cent of the three groups in ready-to-wear departments who had not sold elsewhere. Surprisingly enough, these proportions are larger, except in the case of the medium-sized group of stores, than those in the hosiery department—supposedly an easier commodity to sell and one for which participants said they were willing to hire untrained clerks.

LENGTH OF SERVICE AND SELLING COST

An inspection of the records of each store separately shows a similar tendency towards higher wages with increased length of service. Likewise, tabulations of each store for net sales and length of service bring out, with occasional exceptions, a trend towards increased sales with longer service. The exceptions, however, should not be minimized, for there are stores in which the trend is almost reversed and it is the short-service people who are the most productive. This anomaly is further substantiated by an analysis of length of service and selling cost. While the highest selling costs are, in many cases, caused by short-service people, the high costs are by no means confined to this group. Selling costs of 5.0 in the small hosiery departments are attributable to clerks with length of service of from six months to seven years. Employees with service of one year varied in their selling costs from 3.5 to 8.5 per cent. Nearly 70 per cent of the clerks in the medium-sized group of stores had selling costs below 5.0 per cent. Of the 50 with 5.0 per cent or more, 17 had one year or more of experience and half of that group had had over five years. More than one-fourth of the lower-cost clerks had less than a year of service.

The tendency to lower selling costs in large stores which was evident in the comparisons of the average selling costs of the whole department is apparent in individual selling costs. Eighty per cent have costs of less than 5.0 per cent. and their length of service is anywhere from one week to 28 years. Of the 54 with higher costs, 24 are known to have had more than one year's service. Forty-one per cent of those whose selling cost did not reach 5.0 had less than one year's experience.

The exceptionally high selling costs in the ready-to-wear departments were due to the short-service clerks. There were many employees, however, new to the store, who were able to sell at a rate even more advantageous to the organization than the more experienced clerks. Again, the most striking facts in a comparison of length of service and selling costs are the wide ranges in both directions. Selling costs of 4.5 to 5.0 per cent accompany length of service ranging from three weeks to 49 years; and employees with three months' service may cost their employers anywhere from 2 to 12 per cent of their net sales. The accompanying brief tables show an approximate division into quarters of the total employees in the three groups of stores.

SMALL READY-TO-WEAR DEPARTMENTS

Length of Service	Selling Cost Percentage		
	Under 4.7	4.7 and over	Total
Under 3 years	39.0	61.0	100.0
3 years and over	54.7	45.3	100.0
Total	47.0	53.0	100.0

The employees in the small departments divide into two approximately equal groups, one with less than three years of experience in the store and the other with three years and more. While nearly 50 per cent of all the employees have selling costs below 4.7 per cent, only 39 per cent of those with less than three years' service have selling costs as low. The total is weighted by the 55 per cent of the longer-service workers whose selling costs are less than 4.7 per cent.

MEDIUM-SIZED READY-TO-WEAR DEPARTMENTS

Length of Service	Selling Cost Percentage		
	Under 4.6	4.6 and over	Total
Under 2 years	45.5	54.5	100.0
2 years and over	51.8	48.2	100.0
Total	48.9	51.1	100.0

Slightly under one-half of the employees in the medium-sized stores had less than two years' experience. The total was divided in selling costs, with 49 per cent below 4.6 and 51 at 4.6 or over. Again the service groups were weighted in opposite directions, with 55 per cent of the shorter-service having costs of 4.6 or over, and 52 per cent of the longer-service below 4.6.

LARGE READY-TO-WEAR DEPARTMENTS

Length of Service	Selling Cost Percentage		
	Under 4.1	4.1 and over	Total
Under 1 year	38.0	62.0	100.0
1 year and over	56.3	43.7	100.0
Unknown	53.7	46.3	100.0
Total	49.2	50.8	100.0

The employees in the large stores whose length of service is known may be divided by the one year limit into two groups of 46 per cent shorter-service and 54 per cent longer-service. The proportion of shorter-service with high costs was even greater than in the other two groups of stores, being 62 per cent with costs of 4.1 and over, although only 51 per cent of the total had costs as high. Only 44 per cent

of the longer-service employees had costs of 4.1 or more, while the group with length of service unknown included 46 per cent with high costs. It is probable that this latter group actually contained more long- than short-service employees.

Length of Service and Turnover

About one-half of the individuals for whom records were reported during the twelve months were on the roll of the hosiery departments in August 1929, the last month of the report. Some of these, as evidenced by their length of service, had only recently joined the organization.

Nearly one-fifth of the sales clerks disappeared from the rolls after the December peak of business. This record was not even approached in any other month, the next largest proportion being five per cent at the end of September. Most of the short-service people who left did so after Christmas. There was some tendency for the longer-service employees to leave at this time, but their departure from the selling unit was not confined to December and January. Since these statements refer only to leaving the hosiery department, it is possible that these clerks are working in other departments of the store. The reasons for leaving show that 12 per cent of the total, or nearly one-fourth of those who left the department before September 1929, were transferred to other parts of the store. A like proportion resigned and a slightly larger share were laid off. Less than 3 per cent were discharged.

The changes in the personnel of the ready-to-wear departments occurred less seasonally than they did in the smaller accessory department. The four summer months of June through September saw the most departures from the rolls. Some of these were on leave of absence. In the light of the increase in the number of transactions which was brought out in Chapter IX, it would seem as if the employees were leaving at a time of greater activity but less achievement in net sales. (One wonders if the departments had been over-manned.) Considering this fact, it is worth

TABLE 103

Percentage Still Employed at End of Study and Percentage of Separations During the Study in Ready-to-Wear Departments
(Full-Time Employees)

Reason for Leaving	Small				Medium				Large				Grand Total
	Wage Groups			Total	Wage Groups			Total	Wage Groups			Total	
	Lower	Middle	Upper		Lower	Middle	Upper		Lower	Middle	Upper		
Resignation	14.0	15.7	14.9	14.9	16.3	12.7	14.2	14.5	23.7	17.2	5.8	16.6	15.8
Discharge	8.8	3.1	2.1	4.8	7.5	3.0	1.8	4.4	5.4	3.7	1.5	3.8	4.0
Lay-Off		3.1		1.2	4.4	2.2	0.9	2.7	8.1	7.1	1.5	6.0	4.6
Temporary			2.1	0.6	0.6	0.8	0.9	0.8	2.4	0.9	0.4	1.3	1.1
Death											0.4	0.1	0.1
Leave of Absence	5.3	3.1	8.5	5.3		0.7	2.6	1.0	0.8	2.0	1.9	1.5	1.8
Transferred	12.3	9.4	6.4	9.5	29.3	18.7	17.7	22.6	24.5	22.0	14.6	21.0	20.2
Unknown	7.0	3.1	4.3	4.8	1.3		2.6	1.2	3.0	3.4	2.7	3.1	2.4
Still in Department	52.6	62.5	61.7	58.9	40.6	61.9	59.3	52.8	32.1	43.7	71.2	46.6	50.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

finding out who were the clerks who left and why they left. In the smaller groups of stores nearly two-thirds of the exits were from the half with less than three years' experience. The clerks leaving the medium-sized stores were divided into two equal groups—those with less than two years' experience and those with two years' or more. The latter group contained some who had more than ten years of service. It is to be regretted that one-fourth of the clerks who had worked in a given group of stores at some time during a twelve-months period and were as well-trained as length of time could make them, should be lost to the stores. In the large stores, two-thirds of the employees leaving whose length of service was known had had less than one year of service.

Transfers out of the ready-to-wear department were responsible for the largest number of exits from the two larger groups of stores; resignations were second. The order was reversed in the small stores. This may be an answer to the question of over-manning. The increased number of transactions and decreased individual net sales in the face of transfers away from the department may lie in the very different type of summer merchandise with its lower cost to the customer and less need of fitting.

Over one-half of the clerks in the small and medium-sized departments and nearly one-half in the large were still in the department at the end of the study. The proportion of the wage groups which were still on the roll were as follows:

PROPORTIONS ON ROLL, AUGUST 1929
(Ready-to-Wear Departments)

Volume of Department	Wage Groups		
	Lower	Middle	Upper
Small	52.6	62.5	61.7
Medium	40.6	61.9	59.3
Large	32.1	43.7	71.2

The difference in the number of long-service sales clerks employed by the three groups of stores is further accentuated by the varying proportions still in the department as well as by the large number of short-service clerks who left.

Turnover is not without its advantages in making possible promotion within the department and the introduction of personnel from outside. It ceases, however, to be of positive value when those who leave are the ones who are of most worth to the organization. In order to determine the "worth" of the individuals, the following computation was made. The average weekly net sales of each individual were multiplied by the selling cost of the entire department including part-time and per diem employees for only such months as the individual was working in the department. For instance, if during the months of December, January, and February the total net sales of a given hosiery department were $34,163 and the earnings $1,767.83, the selling cost percentage for those months would be 5.2. This would be the season's rate and the net sales of all employees working those months would be multiplied by it. For comparison between stores and even between individuals the figure would still have certain drawbacks. The different levels of earnings in the various stores as well as the range within the stores makes comparison on a percentage basis of more significance than on an absolute basis. Accordingly each figure of worth has been expressed in terms of the actual earnings of the individual. For example, in the hosiery department in one store the computation of worth, once the various seasons' rates had been determined, would be as follows. The method would be more dependable if we could use a five-year average for the season's rate.[2]

The right-hand column gives a rating of each clerk on a basis comparable with all the other members of the depart-

[2] The Horne plan for salary review uses the five-year average for the season's rate.

TABLE 104

COMPUTATION OF RELATIVE WORTH OF HOSIERY SALES CLERKS IN ONE DEPARTMENT

Employee Number	Actual			Season's Rate	Worth at Season's Rate	Ratio of Worth to Earnings
	Average Weekly		Selling Cost			
	Earnings	Net Sales				
0743.....	$19.50	$285	6.9	8.2	$23.37	119.8
0744.....	25.90	252	10.3	8.2	20.66	79.8
0745.....	18.73	269	7.0	8.1	21.79	116.3
0747.....	10.36	120	8.6	8.3	9.96	96.1
2614.....	12.38	187	6.6	10.2	19.07	154.0
2806.....	18.12	180	10.1	9.2	16.56	91.4

ment and quite apart from her actual earnings and net sales. It may be those who are paid least who are failing to reach the standard of the department, while the higher-paid employees are entitled to more than they have been getting. In those cases in which the selling cost of the individual and of the department are identical, the ratio of worth to earnings is exactly 100 per cent. That is to say, she is earning exactly what she is worth with the performance of herself and her fellow-workers as a standard. If her selling cost is higher than the season's rate, her relative worth will be lower than her actual earnings, and her ratio will be below 100—she is rated as getting more than she is worth. Conversely, with a low selling rate, her earnings at the season's rate would have been higher and her ratio will be above 100—she is rated as worth more than she is getting.

With these computations made there is some basis for deciding whether the more or less valuable employees are leaving. Remembering that all with ratios over 100 are worth more than they are receiving, it is not surprising to find that three-fifths of those who resigned from the medium-sized hosiery departments had ratios over 100. However, more than one-half of those laid off were getting more than they were worth and the clerks transferred out of the department were for the most part in the same class.

Nearly two-thirds of the more permanent employees were more efficient than the standard of the department.

The large-sized stores, however, had greater losses from among the employees getting more than they were worth. The resignations from this group were nearly twice those from the group being paid less than they were worth.

The accompanying summary table of the percentages under each reason for leaving shows the distribution in each worth group. It does conceal the fact that there were individuals whose ratios were below 50 per cent and others above 130 per cent.

TABLE 105

TURNOVER OF FULL-TIME EMPLOYEES BY RELATIVE STANDING IN THE HOSIERY DEPARTMENTS

Ratios	Re-signed	Dis-charged	Laid-Off	Tempo-rary	Death	Leave of Absence	Trans-ferred	Un-known	Still in Depart-ment	Total
Small Stores										
Less than 100..	55.6		66.7				87.5	50.0	47.1	55.2
Exactly 100....	11.1						12.5		2.9	5.2
Over 100.....	33.3		33.3					50.0	50.0	39.6
Total.....	100.0		100.0				100.0	100.0	100.0	100.0
Medium Stores										
Less than 100..	35.0	66.7	55.0	38.5		100.0	82.1	100.0	31.6	47.0
Exactly 100....	5.0		5.0	7.7					3.9	3.6
Over 100.....	60.0	33.3	40.0	53.8			17.9		64.5	49.4
Total.....	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0
Large Stores										
Less than 100..	61.7	40.0	71.1	66.7	50.0	33.3	54.2	53.3	48.1	54.4
Exactly 100....	5.9	20.0	4.4				4.2		8.9	6.9
Over 100.....	32.4	40.0	24.5	33.3	50.0	66.7	41.6	46.7	43.0	38.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All three groups of ready-to-wear departments have a majority of employees getting more than they are worth. This weighting is reflected in the proportions of exits who left for the different reasons. In the two smaller groups of stores more of the resignations were from the group getting exactly or less than their worth. Nearly two-thirds of those who resigned from the large stores had been getting more than they were worth. The majority of discharges and lay-offs were from the less valuable employees in each

group. The transfers from the department were also, for the most part, of the less successful employees, especially in the smaller stores where 81 per cent of the transfers failed to meet the standards set by the rest of the department.

TABLE 106

TURNOVER OF FULL-TIME EMPLOYEES BY RELATIVE STANDING IN THE READY-TO-WEAR DEPARTMENTS

Ratios	Re-signed	Dis-charged	Laid-Off	Tempo-rary	Death	Leave of Absence	Trans-ferred	Un-known	Still in Depart-ment	Tota
Small Stores										
Less than 100..	48.0	87.5	100.0	100.0		33.3	81.3	75.0	54.6	58.3
Exactly 100....	8.0					33.3	6.2		4.0	6.0
Over 100.....	44.0	12.5				33.4	12.5	25.0	41.4	35.7
Total.....	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0
Medium Stores										
Less than 100..	49.2	61.1	81.8	66.7		50.0	66.3	60.0	44.6	52.4
Exactly 100....	3.4						6.5		4.7	4.4
Over 100.....	47.4	38.9	18.2	33.3		50.0	27.2	40.0	50.7	43.2
Total.....	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0
Large Stores										
Less than 100..	65.0	86.7	66.1	53.8		38.5	63.2	60.0	45.1	55.6
Exactly 100....	6.3	3.3	3.4			7.7	3.6	3.3	6.1	5.2
Over 100.....	28.7	10.0	30.5	46.2	100.0	53.8	33.2	36.7	48.8	39.2
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The uneven distribution in the totals in the small and large hosiery departments and in all the ready-to-wear departments is *partly* accounted for by the selling costs of part-time and per diem employees. If the store makes much use of part-time or per diem employees in the peak hours or days of business, these temporary sales clerks will, if the department is not over-manned by their addition, produce at a lower cost than the full-time workers. This, of course, would not be true if they were all paid on a quota-bonus system, but that method seldom applies to auxiliary and per diem workers. Granted, then, that the sales made by the clerks working only in the busiest periods are made at a lower cost, the season's rate for full-time clerks will be lowered and there will be a preponderance of clerks who are, to all appearances, getting more than they are worth. Since it is necessary to have some clerks in attendance even during

slack periods this apparent over-paying is not as avoidable or necessarily as undesirable as would at first appear. When, however, some full-time clerks are worth less than half of what they are receiving, and others are receiving but one-half or three-quarters of what they are worth, it is obvious that not all of the failure to reach the standard can be laid to idle time. Furthermore, there are part-time and per diem clerks who are in need of training or who work too infrequently to be thoroughly familiar with the stock and their ratios are well below 100.

Temporary over-manning of a department in which compensation is partially, if not wholly guaranteed, will also result in a number of employees' getting more than they are worth. It is fair to assume that the more permanent members of the department will continue their customary sales and that the burden of over-manning in the form of low sales will fall upon those short-service people who are not really needed in so far as the older clerks had each a clientele. The season's rate for the period in which the short-service clerks work will be lowered by the more efficient selling of the employees who are on the roll a longer time. That some such over-manning has been taking place in the hosiery departments is evidenced by the fact that over half of all the employees—full-time, part-time and per diem—are worth, by our method of rating, less than they are getting. Only five per cent earn exactly their worth, while 42 per cent are getting less than they should.

The ready-to-wear departments, however, show more efficient use of part-time and per diem sales clerks, for in the majority of cases they were worth more to the store than they were receiving. Most of those who were on the roll at the end of the year were at or above 100 per cent in ratio, as were the majority of the resignations. Three-fifths of the discharges and lay-offs, however, were from the less successful employees. Most of the clerks transferred to other departments had been successful in the ready-to-wear selling units.

TABLE 107

TURNOVER OF PART-TIME AND PER DIEM EMPLOYEES BY RELATIVE STANDING IN READY-TO-WEAR DEPARTMENTS

Ratios	Re-signed	Dis-charged	Laid-Off	Tempo-rary	Leave of Absence	Trans-ferred	Un-known	Still in Depart-ment	Total
Less than 100	48.1	66.1	52.1	16.7	60.0	48.5	55.6	30.6	45.6
Exactly 100	5.6	1.8	10.4			5.4	5.6	3.0	4.7
Over 100	46.3	32.1	37.5	83.3	40.0	46.1	38.8	66.4	49.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

AGE AND EARNINGS

In any comparison of the age or length of service of employees in different organizations it is necessary to make allowance for the fact that the length of time the store has been in business will have an influence upon the proportion of older workers and of long-service.

Of the clerks in the hosiery departments whose ages were reported, 44.2 per cent were less than 25 years of age and two-thirds of the force were under 30. The tendency to use the hosiery department in part as a training ground for new employees—which is indicated by the transfer of nearly one-fourth of those who left the hosiery departments—may account for the preponderance of young clerks. A comparison with the ready-to-wear departments will put further emphasis on this point.

The top section of Chart LI, which presents the cumulative curves of the numbers of employees at the different ages, shows that the medium-sized stores tend to use more older employees than do either of the other groups. The large and small stores use about the same proportions under 25 years of age, but after that point the larger stores employ more older clerks.

When the sales clerks are divided into wage groups, the weight of the different age groups is seen to shift. In the medium stores 65.2 per cent of the low-wage group are less than 25 years old, while only 16.2 and 4.4 per cent of the middle and upper groups are as young. Very nearly 90

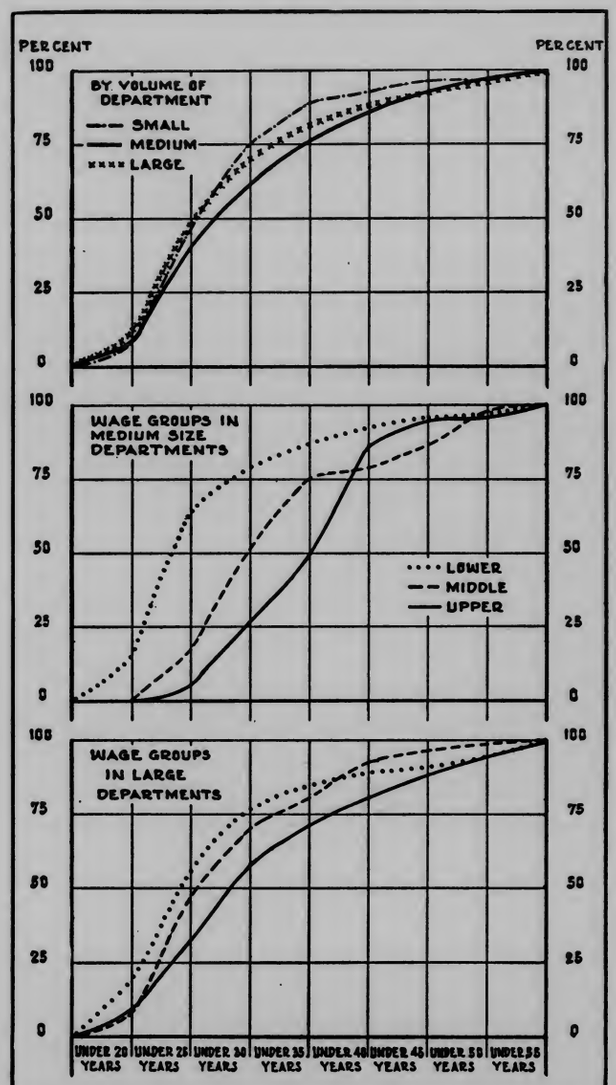

CHART LI—CUMULATIVE PERCENTAGES BY AGE OF FULL-TIME EMPLOYEES IN HOSIERY DEPARTMENTS

per cent of the low earnings group, but only three-fourths of the middle and less than one-half of the high earnings group, are under 35 years. These facts corroborate the finding on length of service which showed that the low-wage group was heavily weighted with short-service employees.

The wide differences in age between the members of the wage groups is apparent in the second section of Chart LI where the great spread between the lower and upper groups is brought out by the distances between the top and bottom lines. The tendency for the middle wage group to be nearer or below the upper wage line accounts for the fact that the total line of the medium-sized stores is below the others in the top section of the chart.

The large stores likewise show an increase in earnings accompanying an increase in age, but with more of the middle and upper groups of the lower age than was true of the smaller stores. Fifty-six per cent of the upper groups were less than 25 years. The proportions under 35—84.8, 80.3 and 71.7 respectively—show a very decided favoring of younger workers in the large stores. While the cumulative curve of the low-wage group would fall slightly below that of the same group in the medium-sized stores, the other two curves fall so close to it that even the upper wage curve is above the middle curve of the other stores.

The ready-to-wear clerks tend to be older than the hosiery

TABLE 108

CUMULATIVE PERCENTAGES BY AGE OF FULL-TIME EMPLOYEES IN HOSIERY DEPARTMENTS

Age	Small	Medium				Large				Grand Total
	Total	Lower	Middle	Upper	Total	Lower	Middle	Upper	Total	
Under 20.....	7.1	14.5			7.8	18.6	7.0	7.6	11.9	9.9
" 25.....	46.4	65.2	16.2	4.4	40.3	55.8	47.9	32.1	47.1	44.2
" 30.....	75.0	79.7	51.4	26.1	62.0	76.7	70.4	58.5	70.0	67.8
" 35.....	89.3	86.9	75.7	47.8	76.7	84.8	80.3	71.7	80.0	79.6
" 40.....	92.9	92.7	78.4	86.9	87.6	89.5	93.0	81.1	88.6	89.0
" 45.....	96.4	95.6	86.5	95.6	93.0	90.7	97.2	88.6	92.4	93.3
" 50.....	96.4	97.1	97.3	95.6	96.9	94.2	98.6	94.3	95.7	96.5
" 55.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.1	99.5	99.7

TABLE 109

CUMULATIVE PERCENTAGES BY AGE OF FULL-TIME EMPLOYEES IN READY-TO-WEAR DEPARTMENTS

Age	Small				Medium				Large				Grand Total
	Lower	Middle	Upper	Total	Lower	Middle	Upper	Total	Lower	Middle	Upper	Total	
Under 20.....	8.1			2.8	6.9	3.0	1.2	4.1	6.5	1.6	0.5	3.0	3.3
" 25.....	35.2	5.1	3.3	15.1	34.4	17.1	8.2	21.8	47.7	28.2	11.5	30.4	26.6
" 30.....	51.4	30.7	6.7	31.1	47.4	28.2	23.3	34.8	66.9	47.5	25.9	48.3	43.0
" 35.....	73.0	53.8	23.4	51.9	61.1	39.3	44.2	49.7	80.0	65.3	37.0	62.4	58.0
" 40.....	91.9	69.2	43.4	69.8	81.7	67.6	57.0	70.6	88.8	75.3	56.7	74.8	73.2
" 45.....	97.3	79.5	69.4	81.1	89.3	82.8	77.9	84.2	97.3	88.0	80.3	89.1	87.0
" 50.....	100.0	87.2	86.7	91.5	96.9	94.9	87.2	93.7	98.8	93.8	92.8	95.3	94.5
" 55.....		94.9	96.7	97.2	99.2	96.9	94.2	97.2	99.6	96.9	97.6	98.1	97.7
" 60.....		100.0	100.0	100.0	99.2	100.0	100.0	99.7	100.0	99.2	99.5	99.6	99.6

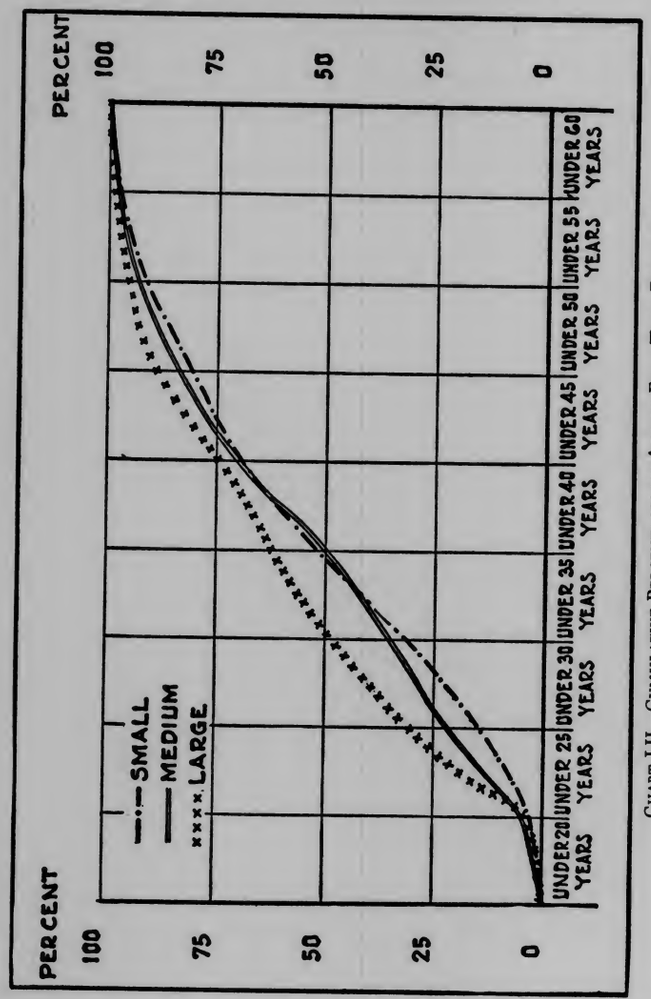

CHART LII—CUMULATIVE PERCENTAGES BY AGE OF FULL-TIME EMPLOYEES IN READY-TO-WEAR DEPARTMENTS BY VOLUME OF DEPARTMENT

clerks, only 43 per cent being under 30 years of age as against 68 per cent of the clerks in the hosiery departments.

The very gradual slope of the total curves on Chart LII shows how much greater the distribution of age levels is in the ready-to-wear departments as contrasted with the concentration in the hosiery departments represented by the abrupt rises of the curves on Chart LI. This time it is the large group of stores which stands out from the others as having more younger people than the other stores.

The small stores (top section, Chart LIII) show the wide differences in age levels of the wage groups. One-half of the low earnings group fall at or below 24 years; the mid-points of the two upper groups are 33 and 42 years. In the medium-sized stores the low wage group again stands out as containing younger clerks, but the other two groups are less distinct. Fifty per cent of each of the groups fall at or below 31, 37, and 38 years respectively. The large stores have the same clearly divided groups that were noticed in the small stores and in the hosiery departments. The tendency for the groups to contain more young people noted in the chart of totals (Chart LII) is reflected in the rise of the curves, which is sharper than in the other groups of stores. The median points are lower than in other stores for all wage groups except the upper. They fall at slightly over 25, 31, and 36 years.

Age and Selling Cost

How valuable the young hosiery clerks are can be in part determined by studying the selling costs of the various ages. Here, as in length of service, there is a wide scatter. Twenty-five in the medium stores with a selling cost of 3.5 and less than 4.0 are anywhere from less than 20 to nearly 55 years of age. Forty-two between 20 and 25 years of age have selling costs varying from 2.5 to over 10.0.

In the large stores where over half the selling costs concentrate between 3.0 and 4.5, the 74 employees who are 20 years old but not 25 have selling costs from less than

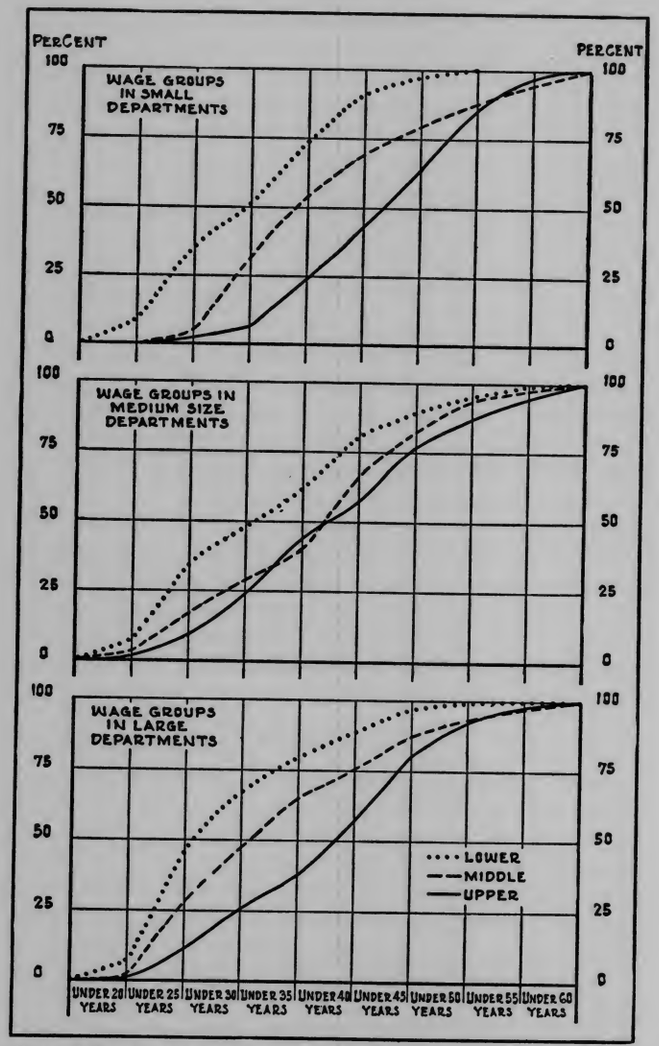

CHART LIII—CUMULATIVE PERCENTAGES BY AGE OF FULL-TIME EMPLOYEES IN READY-TO-WEAR DEPARTMENTS

2.0 to over 10.0 and the 43 with selling costs of 3.0 to 3.5 run the full range of age up to 55.

The same lack of correlation is evident in the ready-to-wear departments. The wide range in selling cost was noted in the discussion of length of service. Despite the well-defined age groups at the different earnings levels, there is no corresponding separation at different selling costs. This would seem to confirm the supposition that while a basic or guaranteed weekly wage may be set with consideration to age, there is no promise of accomplishment in like relation.

The 20 employees in the small ready-to-wear departments whose selling costs were between 4.0 and 4.5 per cent and whose ages were reported ranged from under 20 to nearly 60 years of age. The 22 between 30 and 35 years of age had costs from 3.0 to 8.0. There were 66 in the medium-sized stores with selling costs between 4.5 and 5.0 with ages reported. Again the range was from under 20 to nearly 60 years, with about half below 33 years. The costs of the 66 between 35 and 40 years of age ranged from 2.5 to 9.5. In the large stores 45 per cent of the 146 with selling costs between 4.0 and 4.5 per cent are less than 30 years old, but the rest are distributed over the range to over 55 years. The large proportion of young clerks in these stores is evidenced by the employment of persons between 20 and 25 years of age to the extent of 27 per cent. Their selling costs range from under 2.0 to well over 13 per cent.

No discussion of selling cost and age would be complete without determining how many of the cost figures concealed earnings of more than the employee was worth. Dividing the employees at each five-year age interval into three groups: (1) those with ratios under 100, who are getting more than they are worth, (2) those with ratios of 100, who are getting exactly what they are worth, (3) those with ratios of more than 100, who are getting less than they are worth, gives conflicting results in the hosiery and ready-to-wear departments. Starting with under 20 in the hosiery departments, the proportion getting more than they were

worth decreases gradually up to 35 years of age. Over two-thirds of the very youngest clerks had ratios below 100. The proportions in this class decreased to 43 per cent of the clerks between 30 and 35 and then increased until again two-thirds of the clerks in one age class were getting more than they were worth. This time it was the clerks between 45 and 50. That the stores are aware of this condition is reflected in the decreasing numbers of employees in the older groups.

In the ready-to-wear departments, however, the proportion of less valuable employees increase from under 20 to 30 years and then decrease until, at 50 to 55, only one-third are below the department standard. The very youngest group is more successful than the next two older classes. The proportion with ratios under 100 is less in the 30 to 35 year class than in the preceding, but it is not until we reach the next group that the proportion getting less than they are worth exceeds the percentage of clerks under 20 whose ratios are over 100. Thereafter the proportion increases until two-thirds of the clerks between 50 and 55 years of age are worth more than they are receiving. The numbers in the older classes are better sustained than in the hosiery departments.

Returning to the hosiery departments to find how the different sizes of stores reflect these tendencies, we find it difficult to draw conclusions for the small stores because of the scarcity of age records. In the medium stores, the shift in direction changes at 30 years instead of 35. In the large stores, the shift also takes place at 30 years and there is a drop at 40 which does not occur elsewhere.

The total ready-to-wear figures are quite evidently heavily weighted by the large and middle stores, since the smaller group does not show as definite a trend. The smallest stores have erratic fluctuations from one age group to the next. The medium-sized stores show a decrease in the proportion of less valuable employees beginning with the 25-year

TABLE 110

AGE OF FULL-TIME EMPLOYEES BY RELATIVE STANDING IN THE HOSIERY DEPARTMENTS

Ratio	Age												Total
	Under 20	20–25	25–30	30–35	35–40	40–45	45–50	50–55	55–60	60–65	Unknown	
Medium												
Under 100	70.0	42.8	32.1	36.9	42.9	85.7	80.0	25.0			54.1	47.0
Exactly 100		2.4	3.6	10.5				25.0			2.7	3.6
Over 100	30.0	54.8	64.3	52.6	57.1	14.3	20.0	50.0			43.2	49.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			100.0	100.0
Large												
Under 100	68.0	56.8	56.2	47.6	55.6	37.5	57.1	62.5		100.0	46.9	54.4
Exactly 100		5.4	14.6	9.5	5.6						7.8	6.9
Over 100	32.0	37.8	29.2	42.9	38.8	62.5	42.9	37.5			45.3	38.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0
All Stores												
Under 100	67.6	52.8	47.6	43.2	48.5	62.5	66.7	46.2		100.0	51.1	52.0
Exactly 100		3.9	10.7	9.1	3.0			7.6			6.1	5.6
Over 100	32.4	43.3	41.7	47.7	48.5	37.5	33.3	46.2			42.8	42.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0

TABLE 111

AGE OF FULL-TIME EMPLOYEES BY RELATIVE STANDING IN THE READY-TO-WEAR DEPARTMENTS

Ratio	Age											Total
	Under 20	20–25	25–30	30–35	35–40	40–45	45–50	50–55	55–60	60–65	Unknown	
Small												
Under 100	66.7	61.5	64.7	63.6	68.4	50.0	36.4	50.0			59.7	58.3
Exactly 100		7.7	11.8	4.6		8.3			33.3		1.6	4.2
Over 100	33.3	30.8	23.5	31.8	31.6	41.7	63.6	50.0	66.7		38.7	37.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0
Medium												
Under 100	61.5	64.3	63.4	59.6	48.5	48.9	50.0	27.3	50.0	100.0	42.9	52.3
Exactly 100	7.7	8.9		2.1	3.0	2.3	3.3		12.5		6.6	4.4
Over 100	30.8	26.8	36.6	38.3	48.5	48.8	46.7	72.7	37.5		50.5	43.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Large												
Under 100	45.5	66.3	69.1	59.1	46.1	45.6	41.7	31.3	66.7	66.7	50.2	55.7
Exactly 100		2.6	5.7	6.8	1.3	3.3	8.3	6.2	22.2		7.5	5.2
Over 100	54.5	31.1	25.2	34.1	52.6	51.1	50.0	62.5	11.1	33.3	42.3	39.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All Stores												
Under 100	52.7	65.6	67.4	59.9	49.7	46.9	44.2	33.3	50.0	75.0	50.0	55.1
Exactly 100	2.6	4.2	5.0	5.1	1.9	3.4	5.2	3.0	20.0		6.4	4.9
Over 100	44.7	30.2	27.6	35.0	48.4	49.7	50.6	63.7	30.0	25.0	43.6	40.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

group, five years younger than the large stores and the grand total.

This examination of the age and length of service of employees in retail establishments reveals a few definite findings:

(1) there is no correlation between earnings and length of service or age when the absolute earnings are considered;

(2) there is a very definite correlation when the earnings standard of the store is used, i.e., earnings groups;

(3) the large stores tend to have more young and short-service clerks than do the smaller stores;

(4) there is some correlation between length of service and selling cost when large groups are considered;

(5) there is no correlation between selling cost and age even when individual stores are studied;

(6) the turnover in the hosiery departments is among the least effective selling clerks in the medium-sized stores and among the most effective in the large stores;

(7) the turnover in the ready-to-wear departments is among the least effective selling employees;

(8) the hosiery clerks become more efficient as they grow older up to 35 years and then become less efficient.

(9) the ready-to-wear clerks increase in value to the store from 30 years of age up to 55 years.

CHAPTER XVI

EMPLOYEE DISCOUNTS

In addition to the regular earnings in cash, sales clerks have many discount privileges which should be regarded as an extra form of compensation. The practise of granting discounts on purchases made by regular employees is almost universal in stores. Often the discount applies to all contingents and extra employees in the same way as to those regularly employed; often the employee may purchase for his whole family and dependents. In rare cases, the discounts are restricted to purchases of the amount of twice the weekly salary. In most cases they are unrestricted in amount if the employees pay cash.

What the discounts amount to depends, of course, upon how much employees purchase in the store in which they work. To what extent the discounts may be regarded as an addition to wages is a different problem. The store encourages *good* dressing. It is an axiom that sales clerks should not be badly dressed. Liberal discounts in ready-to-wear aid the employees to supply themselves with clothing for wear in the store. Should some of the outlay be regarded as trade expense? No quantitative answer is possible. The sales clerk is free to buy in other stores if she likes. So far as rules are concerned, she is free to follow her own standards, except in color schemes. Yet the atmosphere sets a pace which influences her purchases. For this reason some of the discounts in outer apparel cannot be counted an addition to wages as much as an offset for the fact that the value of sales clerks' wages is somewhat lowered by the customary standards of appearance. But discounts are usual on other merchandise. These allowances must be regarded as an addition to cash payments.

From the point of view of the store, employees' discounts play a part in the markdown situation. Yet the system of discounts brings to the store the patronage of its workers. Probably the selling costs for such purchases are relatively low since employees know how to shop expeditiously and, also, make their selections at times when the store is least rushed. The concessions to families, if granted through the employee, may also lower the selling cost a trifle. Nevertheless, a considerable loss is incurred through the widespread price-lowering involved in discounts to employees. Fortunately, it is not our problem to appraise the gains or losses. We are concerned merely in summarizing the general practice in the group of stores which filled in the questionnaire on method of wage payment.

The question concerning discounts allowed to employees on purchases in the store was answered by 56 straight salary stores, 39 salary plus commission stores, 20 quota bonus stores, five straight commission stores, and 12 using other methods of payment.

Of these 132 stores, 65 or 49 per cent grant their employees a 10 per cent discount, 25 stores or 19 per cent allow a 15 per cent discount, and 21 or 16 per cent allow a 20 per cent discount. In the remaining 21 stores

Eight grant a 10 per cent to 20 per cent discount;
Four grant a 12½ per cent discount;
Two grant a 15 per cent to 20 per cent discount;
One grants a 10 per cent to 25 per cent discount;
One grants a 12½ per cent to 15 per cent discount;
One grants a 25 per cent discount;
Two sell to employees at 10 per cent above house cost;
Two sell to employees at house cost.

Two stores specify that they allow the discount only on cash purchases and the store which gives a 25 per cent discount allows only 10 per cent on charges, or on any other merchandise upon which a 25 per cent allowance would bring the price below the original cost to the house.

This analysis indicates that, at one rate or another, every store which answered the inquiry was extending discounts to its employees, and in half these stores the concessions amounted to more than 10 per cent.

Despite the general use of some system of discounts, there is a growing tendency to question or limit the privilege. Many of the stores place certain restrictions upon the general discount allowed throughout the store. Eleven stores give no discount on sale merchandise; eleven other stores allow no discount on merchandise in certain special sales or in sales where the goods are priced at cost or where the customary discount would bring the price under cost. In basement departments, with low-priced merchandise, the stores show a tendency to fix a lower rate of discount than is general in other selling divisions. The practice is not uniform; yet one store allows no discount whatever on basement purchases, and four stores, where the usual rate is 15 per cent or 20 per cent, allow only 10 per cent in the basement. Three other stores carry the limitation of discounts a trifle further by giving no concession in any part of the store on merchandise carrying a small markup.

Table 112 summarizes the variations in discounts by method of payment.

The table shows that the tendency to limit discount privileges is evident in only about one-third of these stores. In all, 46 stores place certain restrictions upon the general discount allowed throughout the store. In addition to withholding the discount from sale merchandise, there are exemptions from discount on certain types of purchase. For example, four stores allow no discount in the tea room; eight give none in grocery departments; three none in drugs; and four allow none in fitting rooms, beauty parlors, and other service departments. Two stores, one with a general 15 per cent and the other with a 10 per cent discount, grant only 10 per cent on automobile tires and other motor accessories. Among those reporting, there is a group of stores, each of which withholds

TABLE 112

DISCOUNT RATE ALLOWED EMPLOYEES ON PURCHASES IN THE STORE

	Per Cent											Restrictions on Merchandise		
	10	12½	15	20	25	10–20	10–25	12½–15	15–20	10% above Cost	House Cost	Yes	No	Not Answered
56 Straight Salary Stores	24	2	10	9	1	2	1	1	2	2	2	16	29	11
39 Salary plus Com. Stores	19		10	8		2						15	19	5
20 Quota-Bonus Stores	11	2	3	2		2						8	10	2
5 Straight Com. Stores	4			1								2	3	
7 Special Plan Stores	4		1	1		1						3	3	1
5 Two or More Plan Stores	3		1			1						2	3	
132 Stores	65	4	25	21	1	8	1	1	2	2	2	46	67	19

the discount from one of the following articles: patterns, flowers, oil burners, washing machines, vacuum cleaners, economy apparel, cigars, dollar millinery, hair goods, toilet articles, and beauty shop work. One store with a usual 15 per cent discount gives only 10 per cent on domestics (muslins and linens), while another store, with a usual 20 per cent discount, allows only 10 per cent on personal accessories and on articles under $1.50. In contrast to these stores, which omit or reduce the discount on a few specified items of merchandise, there is one store which limits its discounts to employees to business clothes, umbrellas and bags.

In all this no principle emerges. One store withholds its discount on electrical equipment, another on low-priced merchandise. No principle can emerge while stores are confusing two objects: the one, that of retaining the patronage of their workers; the other, that of encouraging good store appearance.

The latter object is evident in the ready-to-wear department. Here the store increases rather than decreases the discount rate allowed to employees. In this department, nine stores double their usual discount rate; four give 15 per cent instead of their customary 10 per cent; another gives 20 per cent instead of 12½ per cent, and still another gives 10, 15, or 20 per cent in place of the 10 per cent granted elsewhere in the store. Variety is added by a store with a usual 10 per cent discount to employees which allows 25 per cent on merchandise priced above $25.00, if the items are not sale articles.

In ready-to-wear departments, many stores which do not give an extra discount generally give their employees special concessions on store dresses. No uniform rule exists. There are 11 stores with a normal 10 per cent discount giving 20 per cent on store dresses; one gives its usual 10 per cent allowed on all ready-to-wear, and in addition an extra 25 per cent on store dresses. A variation in another 10 per cent store is made by giving 25 per cent on *two* store dresses per

year. When one comes to the group of stores normally granting more than 10 per cent, one finds a 15 per cent store allowing 20 per cent on store dresses; a 10-20 per cent store giving 30 per cent at special times on store apparel; and a 20 per cent store raising its allowance to 30 per cent on dresses of the type suitable for wear in the store.

The most marked tendency to permit a discount above that customary throughout the store is found in outer apparel, especially dresses. A small group of stores set a more liberal rate on some other merchandise. Among the stores with a 10 per cent discount there is a group, each of which allows 20 per cent on one of the following: lingerie, corsets, infants wear and personal accessories; two stores, with a 10 per cent discount, place a 20 per cent rate on millinery, and one 10 per cent store gives 15 per cent on store shoes.

Another way of increasing discounts above the rates generally prevailing is by extra concessions at special times. For instance, a general 20 per cent discount is given at Christmas time by a 10 per cent store. In another case a 20 per cent day is given each month on each floor of a 10 per cent store. In furniture, two special discounts are given in two 10 per cent stores: one of 20 per cent and the other 10 per cent after the usual 10 per cent has been deducted.

Even at the risk of being over-detailed, we must pursue the question of employee discounts to the controversial ground of grants to new employees, contigents, and extras. If a person is in the store one day, or one day a week, can purchases be made by the employee on the same basis as is granted to regular full-time employees? Some stores make no distinction whatever. Others, of course, have no part-time or per diem clerks. There is no agreement in conditions among the stores which set up length of service requirements.

An analysis of the 132 stores shows that all of them give discounts to their full-time sales clerks. There are 13 stores which state length of service requirements varying from two weeks to six months before employees are eligible for the entire discounts. Two of these 13 stores, with a 20 per cent

TABLE 113
RESTRICTIONS ON EMPLOYEE DISCOUNTS

	Sales Clerks								Discount Restricted to			
	Part-time			Per Diem		Temporary						
	Yes	No.	No Ans.	Yes	No	No Ans.	Yes	No	No Ans.	Employees Only	Employees & Dependents	No Restr.	No Ans.
56 Straight Salary Stores	45	9	2	26	19	11	38	15	3	5	21	22	8
39 Salary plus Com. Stores	33	5	1	25	10	4	22	13	4	5	23	6	5
20 Quota-Bonus Stores	19	1		12	7	1	14	6		4	9	2	5
5 Straight Com. Stores	4	1		3	1	1	3	2			4	1	
7 Special Plan Stores	6			4	2	1	6	1			1	6	
5 Two or More Plan Stores	5			2	2	1	2	3			5		
132 Stores	112	17	3	72	41	19	85	40	7	14	63	37	18

discount, allow 10 per cent until the employee has been continuously at work for the stipulated time. For the most part, full-time employees share in discounts immediately.

The question whether the discounts are allowed to part-time clerks was answered by 129 stores. Of these, 112 replied in the affirmative. In this group, 10 stores have length of service requirements of thirty days to three months; but one firm modifies its rule by allowing part-time clerks a 10 per cent discount instead of the usual 20 per cent characteristic of the store, until they have been employed for the required time.

Sometimes lower rates of discount are in vogue for part-time than for employees working the regular hours of the store. In seven stores, part-time clerks are granted only 10 per cent, though the discount for full-time clerks in these stores is 12½ per cent to 25 per cent. One store with a 10 per cent discount throughout the store and 20 per cent in ready-to-wear grants to its part-time clerks only half the usual rate. To be eligible in another store part-time clerks are required to pay cash at the time of purchase.

Per diem sales clerks received discounts in 72 stores out of the 113 answering the question who employed clerks on daily schedules. Out of the 125 answering the question relating to temporary sales clerks, 85 stated that the store discount applies also to temporary sales persons. For per diem and temporary clerks, the length of service and other requirements are similar to those for full and part-time clerks except in one store which limits its discounts to temporary employees to purchases made during the Christmas season.

Nothing of particular interest was revealed by a classification of part-time and per diem employees. The table serves as a summary of the various irregularities noted in the text.

Obviously, if employees may purchase merchandise of a non-personal nature, it would be difficult to prevent the discount privileges being shared by members of the family. In policy the 114 stores which answered this question fall into three groups:

(1) 14 who restrict the discount privilege to their own employees;
(2) 63 who extend the discount privilege to families and dependents;
(3) 37 who make no attempt to restrict; if the employees make the purchases they may be for friends or family.

The question of how a policy of restriction is enforced, though important practically, was not a part of our inquiry.

Briefly, the study of store practice concerning discounts shows that all the stores studied allow discounts varying from 10 per cent to 25 per cent. There is a tendency to withhold the discount from merchandise with little mark-up and from sale merchandise. There is an equally pronounced tendency to increase the discount rates in ready-to-wear departments generally and especially on store dresses.

Accidental factors often determine the extension of discounts to extra clerks on special time schedules. Small stores make little use of per diem clerks. As the store grows, the few extras get the customary discounts, until a precedent, not easily changed, is established.

CHAPTER XVII

WORKING-TIME IN RETAIL ESTABLISHMENTS

For the study of sales clerks' compensation, the unit of time of most interest is the week. Hourly earnings are rarely noted. Drawing accounts are set on a weekly basis. Commission inevitably must be reckoned for at least a week. Studies of wages, contrary to the practice in industrial establishments, are more in accord with practice if the weekly unit is used.

The fact that net sales are frequently the basis for figuring part of the compensation is a factor in establishing the weekly basis. Other factors are that: (1) hours for large stores tend to be similar in the same communities; (2) there is little over-time; (3) many stores pay for absence and guard against irregular attendance—in this connection it should be noted that some of the causes for industrial absences need not exist since the store can and does make arrangements for shopping in idle hours.

The major analysis of this study has been carried through on the basis of earnings and sales in the scheduled week at each store. There are differences, however, in the working schedules of the stores participating in the study.

A summary of sales clerks' working-time is complicated by the fact that there are:

(1) differences between the hours for which the employees must report and the actual selling-time;
(2) changes in summer and winter schedules;
(3) special schedules for some classes of extra clerks.

Out of the 31 stores studied, 19 open at 9 o'clock, five at 8:30, four at 9:30, one at 9:15. The practice of two is not clear. Almost without exception, the stores in large cities open later than those in small towns.

Two-thirds of the stores close at 5:30, one at 5, and the rest at 6 P.M. Curiously enough, the stores which open latest close earliest.

In clerks' actual selling-time, which is store selling-time minus lunch hour, a majority of the participating stores fall into two groups about equally divided—those working forty-five hours and those working forty-eight hours. There are a few scattering cases ranging from forty-two to fifty-four hours.

The total working hours, taking into account the time at which employees must report, do not fall into equally well-defined groups. There is no uniformity in practice concerning the length of time necessary for work preparatory to selling. Most stores require their clerks to come anywhere from five to twenty minutes before opening time to arrange stock and prepare show cases and counters for display. A few firms do not require this. Their clerks arrive at the counters as the store opens. One firm in a rather neat compromise has its clerks take turns arriving one-half hour before opening to prepare the stock.

Only one store out of the 31 studied made any distinction between the starting time of its men and women clerks. In this case men were required to report at 8:00 A.M. or 8:30 depending upon the department, while the women do not arrive until 8:50.

Including preparatory time in the computation, 18 of the 31 stores analyzed in this report required anywhere from forty-seven to forty-nine hours per week. Since these 18 stores are of different sizes, in large and small towns situated in various states, it is significant to find that their working time per week varies by only two hours. Such a uniformity of schedule makes the comparison of weekly earnings in retail establishments, without regard to time, more justifiable than it would be in industry generally. Exceptions to this rule should not be overlooked. For instance, in our study, there is a group of nine stores in large eastern cities whose sales persons work only forty-five and forty-six hours per week. One store required but forty-four, including preparatory time. At the other extreme are four with fifty or more hours.

The hours required and the selling-time indicate that employees must be present somewhere from 45 to 49 hours in most of these stores and are actually selling either 45 or 48 hours, depending upon the store's schedule.

TABLE 114

HOURS WORKED PER WEEK IN 31 REPORTING STORES

Hours Worked	Total Hours in Store	Actual Selling Time
42 and under 43		2
43 " " 44		3
44 " " 45	1	
45 " " 46	5	7
46 " " 47	4	5
47 " " 48	6	1
48 " " 49	5	11
49 " " 50	6	
50 " " 51	1	
51 " " 52	3	2

All these classifications have been made on the full-time winter schedule. In summer and just before Christmas the hours vary considerably. Practically all these stores operate for less time in summer than in winter, either by stopping a half-hour or an hour sooner or by adopting a five-day week. Only one, a large metropolitan store, does both. Two stores close at 1 P.M. on Saturday, and one at noon Wednesday. The southern stores, with the most uncomfortable climate, reported the longest summer working time, which, in most cases, was the same as in winter.

Before Christmas, half the firms are open late. Many of the stores in the large cities lengthen their hours only by thirty minutes per day; but those in smaller centers keep open until 9:00 and 9:30 P.M. The period of these special Christmas schedules varies from three days for the stores which are open late in the evening to three or four weeks for those which add only one-half hour.

There is very little overtime in retail stores. Five midwestern firms are open thirty minutes longer on Saturday, and three firms are open regularly at night. One stays open until 9 P.M. on Saturdays, another until 9:30, and a third keeps its furniture, rug, bedding and radio departments open until 9 P.M. on Mondays and Wednesdays during February, May and August. These special hours can scarcely be termed "overtime" since they are provided for and understood at the time of hiring.

Almost half the stores included in this analysis had no part-time sales clerks. About a third had no per diem employees. These facts indicate that there is more wide-spread use of per diem employees than of part-time. The explanation is that few small stores use part-time clerks.

The hours of the per diem sales persons are usually the same as those of the full-time clerks. Three stores have two groups of per diem clerks, one with a working schedule like that of the full-time sales persons and the other like that of the part-time.

The hours of part-time sales persons range from 18 to 41 hours, with a concentration in favor of 30 hours. With three exceptions, the part-time clerks start work at 11 o'clock and continue, mostly without much definiteness about lunch, until 2, 3, 4, or 5 o'clock. In many of the stores in the large eastern cities, the so-called part-time employees are really an extra sales force, reporting at 10:30 or 11 and staying until store closing time, on the same basis as full-time clerks, except for the hour of starting. In other centers, especially in midwestern stores, part-time clerks work from 11 to 2, 3, or 4 P.M. at the latest. There are only a few cases of working until store closing time. Whether this is a characteristic sectional tendency or merely an accident in our selection is uncertain.

Rest periods, even when definitely scheduled, have not been taken into account in computing "selling-time" or required working hours. Only five stores specified regularly scheduled rest periods. These are either 15 or 20 minutes once a day or 10 or 15 minutes twice a day.

The working schedule for 29 stores is given on Table 117, presenting opening and closing hours in winter and summer for the three classes of employees.

Though hourly earnings have not been used throughout this study, and though the sales clerks are hired on a weekly basis, there is some interest in a comparison of hourly earnings in stores of different working time. In actual selling-time most stores fall into a 45-hour or a 48-hour group; four work less than 45 hours and two more than 48. These two limits are so definite that hourly earnings can be grouped and a comparison made for the departments included in the study for stores working 45 hours or less and for those working more than 45 hours. The latter group should be thought of as practically 48-hour stores.

On the basis of these groupings, hourly earnings tend to be lower in the stores working the longest hours. The frequency table of hourly earnings shows that, in hosiery departments working 45 hours or less, hourly earned rates vary from 38 cents to 64, with a median of 45 cents. In the hosiery departments with a longer working week, rates vary from 26 to 50 cents, with a median rate of 37 cents, a difference of about 8 cents per hour in favor of sales clerks in the departments with shorter schedules.

Weekly earnings follow the same course. The clerks in the stores with the shortest hours average about $3.00 more than in those with a longer working schedule.

In making these comparisons, it should be recalled that firms are not in the same market; that the hours which a store keeps open are largely a matter of established community habits, and that the longer working schedules are often due to location in a small rather than a large city.

In women's ready-to-wear departments working 45 hours and under, hourly earned rates vary from 40 to 78 cents. The median is 57 cents. The departments working longer schedules show a range in hourly rates of 40 to 66 cents,

TABLE 115

AVERAGE HOURLY EARNINGS IN THREE DEPARTMENTS IN 31 STORES CLASSIFIED BY HOURS PER WEEK

Average Hourly Earnings	Hosiery Departments		Ready-to-Wear Departments		Men's Clothing Departments	
	45 hours and under	48 hours and over	45 hours and under	48 hours and over	45 hours and under	48 hours and over
$0.26 and under $0.28		1				
0.28 " " 0.30						
0.30 " " 0.32		2				
0.32 " " 0.34		2				
0.34 " " 0.36						
0.36 " " 0.38		2				
0.38 " " 0.40	4	2				
0.40 " " 0.42	1	1	1	1		
0.42 " " 0.44	1	1		3		
0.44 " " 0.46	3	1		2		
0.46 " " 0.48	3		1	4		
0.48 " " 0.50	1	1	1			
0.50 " " 0.52			1	1		
0.52 " " 0.54			3	1		
0.54 " " 0.56				1		
0.56 " " 0.58	1		2			
0.58 " " 0.60						
0.60 " " 0.62	1		2		1	
0.62 " " 0.64	1		1	1		
0.64 " " 0.66			1	1		1
0.66 " " 0.68			1			
0.68 " " 0.70			1			2
0.70 " " 0.72					1	
0.72 " " 0.74						1
0.74 " " 0.76						1
0.76 " " 0.78			1		1	
0.78 " " 0.80						1
0.80 " " 0.82						
0.82 " " 0.84						
0.84 " " 0.86					1	
0.86 " " 0.88						
0.88 " " 0.90						
0.90 " " 0.92					1	
0.92 " " 0.94					1	
0.94 " " 0.96						
0.96 " " 0.98						
0.98 " " 1.00						
1.00 " " 1.02						1
1.02 " " 1.04					2	
1.04 " " 1.06						
1.06 " " 1.08						
1.08 " " 1.10						
1.10 " " 1.12						
1.12 " " 1.14						
1.14 " " 1.16					1	
1.16 " " 1.18						
1.22 and over					2	

TABLE 116

AVERAGE WEEKLY EARNINGS IN THREE DEPARTMENTS IN 31 STORES CLASSIFIED BY HOURS PER WEEK

Average Hourly Earnings	Hosiery Departments		Ready-to-Wear Departments		Men's Clothing Departments	
	45 hours and under	48 hours and over	45 hours and under	48 hours and over	45 hours and under	48 hours and over
$12.00 and under $13.00		1				
13.00 " " 14.00						
14.00 " " 15.00		1				
15.00 " " 16.00		2				
16.00 " " 17.00		1				
17.00 " " 18.00	1	2				
18.00 " " 19.00	4	2				
19.00 " " 20.00	1		1			
20.00 " " 21.00	3	2		3		
21.00 " " 22.00	1	1	1	3		
22.00 " " 23.00	3			3		
23.00 " " 24.00			2	1		
24.00 " " 25.00			2	1		
25.00 " " 26.00		1	1	1		
26.00 " " 27.00	1			1		
27.00 " " 28.00	2		3			
28.00 " " 29.00			1			
29.00 " " 30.00			3		1	
30.00 " " 31.00			1	1		
31.00 " " 32.00				1		
32.00 " " 33.00						1
33.00 " " 34.00					1	2
34.00 " " 35.00						1
35.00 " " 36.00			1			1
36.00 " " 37.00						
37.00 " " 38.00					1	1
38.00 " " 39.00						
39.00 " " 40.00						
40.00 " " 41.00					1	
41.00 " " 42.00						
42.00 " " 43.00						
43.00 " " 44.00					1	
44.00 " " 45.00					1	
45.00 " " 46.00						
46.00 " " 47.00					2	
47.00 " " 48.00						
48.00 " " 49.00						1
53.00 " " 54.00					1	
54.00 " " 55.00					1	
61.00 " " 62.00					1	

with a median of 47 cents. In these departments in which hourly rates tend to be higher than in hosiery selling, there is a difference of 10 cents per hour between the medians of the two differently scheduled groups of stores.

In weekly earnings the stores working the shorter hours average about $5.00 more than the others, but it should be noted that two are as low as or lower than any of the stores with longer working schedules.

In men's clothing 11 of the 18 departments work 45 hours or less. In this group the range in hourly earnings is from 60 cents to $1.29. Five stores average above $1.00 per hour. Six of the seven departments working about 48 hours vary from 64 to 80 cents per hour, while the other is above $1.00.

Working hours cannot be given for the larger list of stores used in our analysis of methods of payment. An indication of holidays paid for and practices concerning absences and vacations, compiled from the general questionnaire, follows.

Out of the total of 145 stores which filled in the form, 23 did not answer the question on holidays. The others have a varying list of paid-for holidays, the most frequent group being New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving, and Christmas. There are 44 stores that pay for these six national holidays, and six of them also pay for Jewish holidays. Jewish holidays are paid for by 19 firms altogether, although four of them specify that they are for Jewish employees only. Twenty-seven firms pay for more than these six national holidays and 18 pay for less. However, six of the 18 stores paying for less than six legal holidays pay for Jewish holidays so that, in most cases, their total is brought to six or more paid-for days. Counting both legal and religious holidays, there are 37 firms that pay for six, and 32 that pay for more than six. In reality there are a great many more that pay for at least six, but since they do not list the holidays or give the exact number, we cannot count them in these numerical classifications. There are 33 in this group which say they pay for "all legal holidays," "all national holidays," "all on which store is closed," or

simply "all." Most of these, therefore, will fall into the group paying for six or seven holidays. The lowest number of days paid for is three and the highest 12. These figures do not take into account half-holidays on Saturdays in summer, since all but two or three stores do not consider them as holidays, but simply as an adjustment of the working week.

The question of absences was a difficult one to classify since so many stores said they did not pay for absences and then, farther on, noted exceptions. All of these were finally put in the group paying for absences although their payment is customarily limited to certain service groups or employees of other special status. The size of this group, consequently, seems larger at first glance than it does after one notes the restrictions. Out of the 132 stores which answered this question, 68 pay for absences and 64 do not. Thirty of the 68 do not tell what kind of absences they pay for, 14 pay in case of sickness, nine for a few days on account of a death in the near family, and 15 in special cases. The duration of the time paid for goes all the way from a part of an afternoon to an unlimited time, without any apparent grouping. Length of service seems to be the most important factor in determining whether or not absences should be paid for. All the stores which have paid-for absences grant the payment to the long-service clerks. Thirty-six of the 68 allow paid-for absences to all clerks, usually changing their policy to the individual need.

A sick allowance is made in 30 out of the 109 stores which answered the question. Thirty-nine have mutual aid or benefit associations and 40 make no provision for illness.

A vacation is given to all clerks, regardless of length of service, in 21 stores. The number of stores paying for vacations to clerks of one year's service is 118. Twenty-two did not answer the question and four only state that they give no vacations. One firm gives no vacation until three years' service has been completed. Seventy-eight give a one-week vacation and 39 give two weeks. One store has a three weeks'

TABLE 117

TOTAL WORKING HOURS OF CLERKS

Firm Number	Full-Time						Part-Time						Per Diem					
	Winter		Summer		Special		Winter		Summer		Special		Winter		Summer		Special	
	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.	A.M.	P.M.
02	8:30	6:00	8:30	6:00	8:30	9:30	1:30	6:00	1:30	6:00	1:30	9:30	8:30	6:00	8:30	6:00	8:30	9:30
15	8:50	6:05	8:50	5:05	8:50	9:05	11:30	4:30 5:30	11:30	4:30 5:00	11:30	9:05	8:50 1:00	6:05	8:50 1:00	5:05	8:50 1:00	9:05
20*	9:15	5:30	9:15	5:00	9:15	6:00							9:15	5:30	9:15	5:00	9:15	6:00
21	9:15	5:30	9:15	5:30	8:45	6:00	10:45	4:30	10:45	4:30	10:45	4:30	9:15	5:30	9:15	5:30	8:45	6:00
23	8:50	5:30	8:50	5:00	8:50	6:00							8:50	5:30	8:50	5:00	8:50	6:00
24	8:50	5:30	8:50	5:30	8:50	6:00	11:00 11:30	5:00 4:30	11:00 11:30	5:00 4:30	11:00 11:30	5:00 4:30	Like full or part-time hours					
25	9:10	5:30	9:10	5:30	9:10	6:00												
30	8:45	5:15	8:45	5:15	8:45	5:45	11:00	5:00	11:00	5:00	11:00	5:00	8:45	5:00	8:45	5:00	8:45	5:00
40	8:45	5:30	8:45	5:30	8:45	5:30	11:00	4:00	11:00	4:00			8:45 11:00	5:30 4:00	8:45 11:00	5:30 4:00	.8:45	5:30
41	8:55	5:30	8:55	5:30	8:55	5:30	11:00	5:30	11:00	5:30	11:00	5:30	8:55 11:00	5:30 5:30	8:55 11:00	5:30 5:30	8:55 11:00	5:30 5:30
48	8:50	5:30	8:50	5:00	8:50	5:30	11:00	2:00 4:00 5:00	11:00	2:00 4:00 5:00	11:00	2:00 4:00 5:00	8:50	5:30	8:50	5:00	8:50	5:30
49	8:50	5:30	8:50	5:30	8:50	5:30	Irregular						8:50	5:30	8:50	5:30	8:50	5:30
54	9:15	5:30	9:15	5:30	9:15	9:30							9:15	5:30	9:15	5:30	9:15	9:30
57	8:20	5:30	8:20	5:30	8:20	5:30												
59	8:30	5:30	8:30	5:30	8:30	5:30	11:00	4:00	11:00	4:00	11:00	4:00	8:30	5:30	8:30	5:30	8:30	5:30
63	9:00	6:00	9:00	5:00	9:00	6:00	11:00	4:00 5:00	11:00	4:00 5:00	11:00	4:00 5:00	9:00	6:00	9:00	5:00	9:00	6:00
65	8:20	5:30	8:20	5:30	8:20	9:30												
66	9:00	5:30	8:30	5:00	9:00	6:00	11:00	3:00	11:00	3:00	11:00	3:00	9:00	5:30	8:30	5:30	9:00	6:00
70	8:45	5:30	8:45	5:00	8:45	5:30	11:00	4:00	11:00	4:00	11:00	4:00						
71	8:50	5:30	8:50	5:00	8:45	6:00												
72	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00	9:15	6:00
76	8:45	5:30	8:45	5:30	8:45	5:30												
77	8:45	6:00	8:45	5:00	(3 days) 8:45	9:00	11:00	2:00	11:00	2:00	11:00	2:00	8:45	6:00	8:45	5:00	(3 days) 8:45	9:00
79	8:45	5:45	8:45	5:45	8:45	5:45							8:45	5:35	8:45	5:35	8:45	5:35
81	8:25	6:00	8:25	6:00	8:15	9:00												
85	8:45	6:00	8:15	5:00	8:15	5:00	11:00	4:00	11:00	4:00	11:00	4:00	8:45	6:00	8:15	5:00	8:15	5:00
92	8:50	6:05	8:50	6:05	8:30	9:00							8:50	6:05	8:50	6:05	8:30	9:00
98	8:55	5:35	8:55	5:35	8:55	5:35	11:00	4:00	11:00	4:00	11:00	4:00	8:55	5:35	8:55	5:35	8:55	5:35
99	8:45	5:30					11:00	3:00					8:45	5:30				

*February, May, and August, furniture, rug, bedding and radio departments open until 9 P.M. on Mondays and Wednesdays.

vacation period. About six have plans by which extra days are given as length of service increases. Of the 118 stores which allow a vacation after one year's service, 18 give it at the end of six months' service, and 17 of those which give one week the first year give two the second. For the part-time people, 42 firms did not answer the question, 71 do not give any vacation, 22 give only one week, and 10 give two weeks. The same length of service requirements usually apply to part-time people as to full-time.

The summary indicates that the granting of paid vacations to employees of one year's service is quite general in retail establishments; that a considerable amount of absence is paid for, and that more than the usual number of legal holidays on which the store is closed are paid for.

TABLE 118

Analysis of Payments for Absence, Sickness and Vacations in 145 Stores

Method of Pay and Total Number of Stores	Absences									Sick Allowance				Vacations								
	Pay for Absence			Kind of Absence Paid for				To Whom						For All Clerks	For Clerks with One Year of Service			For Part-Time Clerks				Adjust[c]
	Unanswered	No	Yes	Sickness	Death	Unknown	Special	All Clerks	Older Clerks	Unanswered	No	Yes	Mutual Aid		Unanswered	One Week	Two Weeks	Unanswered	One Week	Two Weeks	None	
Straight Salary—60	4	26	29	6	4	15	4	17	29	17	19	13	11	13	7[a]	35	15	15	8	2	35	4
Salary Plus Commission—43	4	19	20	3	2	6	9	11	20	9	12	7	15	5	5[b]	21	14	13	7	5	18	4
Quota-Bonus—22	2	10	10	2	2	5	1	4	10	4	6	4	8	0	7	9	6	8	2	2	10	1
Straight Commission—5	0	3	2	2	0	0	0	2	2	2	0	1	2	2	0	3	2	1	1	1	2	0
Special Plans—9	2	3	4	1	1	1	1	2	4	3	3	2	1	1	2	5	2	3	2	0	4	2
Two or More Plans—6	1	2	3	0	0	3	0	0	3	1	0	3	2	0	1	5	0	2	2	0	2	1
Total—145	13	64	68	14	9	30	15	36	68	36	40	30	39	21	22	78	39	42	22	10	71	12

[a] Three stores have no vacation.
[b] Two stores have no vacation; 1 has three weeks vacation.
[c] Adjust rate or quota for summer hours, Christmas or special sales.

CHAPTER XVIII

CONCLUSIONS

One could recount, in a summary, many of the factual findings of this study which are, in themselves, of interest. But we have not yet given attention to the major problem of interest to store executives—the effect of various methods of wage payment.

Throughout this study three steps are followed to show the problems of wage payment in retail selling:

(1) a statement of the opinion of executives on the administrative difficulties in operating their own form of compensation;
(2) a survey of the methods used in different departments;
(3) an intensive study of the success of wage payment in 31 stores.

The survey of methods in use in different departments was undertaken for two purposes: first, to see whether the same plan of payment was found to be effective in the selling of all kinds of merchandise or whether firms find that they must vary their plan in special departments; second, to make available the rates of commission and bonus used in different departments in the same store.

The study of departments shows that underneath the general plans there are many special adjustments in all stores, both in departments and selling units. The decline in the demand for yard goods and the increase in the number of accessories in recent years accounts for such changes in commission methods as are indicated in these divisions. Yet, on the whole, these departments follow whatever form of payment is generally found in the store with the exception

of the pattern department which tends to be leased or put on straight salary. Millinery departments tend to be operated on higher rates of commission or on some form of payment not in general use in the store.

Both usage and opinion seem to be in favor of straight salary plans in small stores. Some of the preference is the result of lack of scope for specialization in selling in small stores; some of the fact that no other forms have been tried. On the other hand, Chapter V indicates that, even in small stores, there is a breaking away from the straight salary plan in the sale of some kinds of merchandise, notably men's clothing and, to a smaller extent, women's ready-to-wear. A few small stores in the study show favorable results with the quota-bonus plan. An opposite tendency is found in large stores using commission or bonus forms of payment, *viz.*: to resort to straight salary in some departments, especially those with a declining volume such as woolen yard goods, art needle work, etc.

Any one with any experience in wage setting will grant that the operation of commission and bonus systems presents many difficulties. We have shown throughout the study the number of different rates which must be set to provide for the great variety of goods handled by any one retail store. Even the analysis which has been given of rates in different departments covers up the modifications in selling units within the same department. One rate may be paid on silk hosiery and a different one on lisle and children's hosiery or on low-priced pairs generally. The existence of the same rate in different departments does not mean that either earnings or sales will be the same. Some kinds of merchandise are harder to sell than others; one sells on style, one on color, another on trade label; one involves time in fitting, another taste in harmonizing or matching.

We have shown that seasonal factors influence not only departmental volume but also the sales of individual clerks. Besides the variables in merchandise and in demand there are variables in the sales clerk's occupation in care of stock

and contact with customers which are, at most, only indirectly reflected in net sales. In fact net sales are not a perfect measure of the efficiency of sales clerks. The same factors which make for fluctuations in demand make for more or less effort in selling. The *amount of net sales* to be expected from an efficient employee is something different in one period from another.

Recognizing that there are many other factors influencing the results in each store we may now attempt an appraisal of various forms of payment and a statement of the significance of some of the findings. For this purpose it is better to discuss in detail a few typical plans than to attempt to make general statements about the different plans.

Typical Plans of Payment in Hosiery Departments

Let us first consider what selling costs and earnings could be attained under the various methods of payment in use in hosiery departments. The results under each form of payment were discussed in Chapters VI and VII, but no attempt was made to show the effect of different rates of commission under the same general plan. As a means of comparing the difference in the basis of wage setting and selling costs upon which the hosiery departments are operating, let us first make clear the mechanics of the wage plans. For this discussion we use the average weekly earnings and rates of commission and bonus in seven departments in the study. For the salary group we use the average of the salary stores and firm 23 with the highest wages of the salary departments; the salary plus commission stores selected are firm 25, paying one-half of one per cent, the usual percentage in this form of payment, firm 54 paying one per cent on all sales, and firm 21, with the highest wage of the salary plus commission group, paying one-half of one per cent up to quota and 2 per cent above and changing the amount of the quota in different months. From the quota-bonus group we select three stores, firms 79, 48, and 41, each paying 4 per cent below quota but differing in

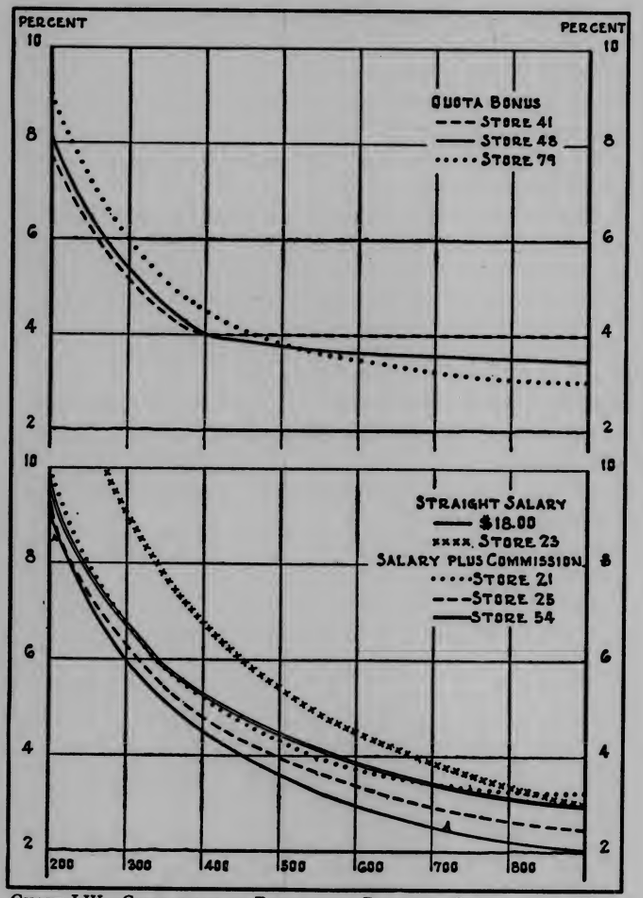

CHART LIV—COMPARISON OF ECONOMICAL POINTS OF OPERATION OF WAGE SYSTEMS IN HOSIERY DEPARTMENTS

rates above quota and paying, respectively, 2, 3, and 4 per cent. Accepting the exact basic rates which each of these stores is paying we have drawn curves to show what the selling costs would be at different levels of sales. From this chart the different bases of payment can be brought into relation with selling costs and an indication given of the economical point of operation in the various plans of payment.

The chart shows why similar methods of payment give low costs in one place and high costs in another. Some systems give low costs at a different volume of sales from others. The stores selected represent all the various forms of payment in use in hosiery departments except the straight commission plan, operated very successfully in firm 40 which pays different rates within the hosiery unit.

The chart shows the basis of the payment in use. After this is explained we can relate the plan to its actual operation.

Salary Systems

In drawing line A in the lower section of Chart LIV, we used the average earnings of the salary stores in hosiery departments, which was $18.00. This curve is typical of costs in salary stores. The line shows decreasing costs as net sales per employee increase, from 6 per cent selling cost for $300 in sales to 2.3 per cent for $800. The typical selling cost in our 29 hosiery departments—4.3 per cent—is reached at $420. The high wage salary store—firm 23—, paying $27.13 to hosiery sales clerks, would reach 4.3 per cent at $625. That firm 23 operates at a cost of 3.9 is due to its high average net sales of $689. The typical salary store in this study paying $18.00 has approximately $420 in sales and a selling cost of 4.3 per cent. The characteristic of the salary curves is the rapid decrease in selling costs if high sales can be attained. The experience of firm 23 of $689 in sales and selling costs of 3.9 per cent is not explained by the salary method alone, because, had the other stores averaged the sales of firm 23 their selling costs would

have been 2.6, on account of their lower basic rate, instead of the 4.3 per cent which they reached. The question then becomes: was the higher wage an incentive to sell or did other factors determine the high net sales?

Salary Plus Commission Systems

Let us leave this question to look at the salary plus commission group of stores. Store 25, with a base rate of $17.20, not far below the average of the salary group of hosiery departments, pays in addition a commission of one-half of one per cent on all sales. This commission slightly checks the rate of decrease in selling costs shown by the salary curve, as sales increase. Its clerks must average $450 in net sales to maintain 4.3 per cent selling costs. Its actual cost of 3.3 per cent is achieved by maintaining an average of $629 in net sales.

Firm 54, the other salary plus commission store used for illustration, starts with a basic salary of $17.12, and pays 1 per cent on all net sales. Thus stores 25 and 54 start at about the same basic salary but the relatively high commission in firm 54 operates so that the two will never have the same selling costs unless store 54, paying 1 per cent, outstrips store 25 in net sales per individual. To outstrip store 25 sufficiently at its present sales attainment, firm 54 would be required to sell $750 in net sales, or increase its present sales of $414 per employee by 80 per cent.

The other store paying a commission on sales—firm 21—whose success will be noted by every reader because the store achieves the lowest selling cost and the highest earnings of the hosiery departments in the study, has a more complicated commission plan. It pays a base rate of $18.77 and in addition one-half of one per cent on all sales up to a quota which varies monthly, and 2 per cent above quota. To show the relation of costs to sales in the mechanism of this plan, we have used the average quota of the year and shown their selling cost on the chart. The position of the line is interesting since it is always above store 25 and the

group of salary stores, but crosses the line of firm 54 twice. At net sales of less than $300 the plan of store 21 gives higher selling costs than either of the others. From $300 to $400 in weekly net sales the systems in use in firm 21 and 54 give the same cost. Between $400 and $650, the plan of store 21 gives lower selling costs than that of 54. From $650, firm 21, by reason of paying a higher commission above quota than below, slows down its decrease in costs with rising sales and from $700 per week in sales its system gives higher costs than those in use in either of the other commission stores.

If the system in use in store 21 were adopted by either of the other salary plus commission stores at their present level of sales attainment, firm 25 would have higher costs than it now has, namely 3.6 per cent instead of its present 3.3, and firm 54 nearly the same, namely 5.2. In other words, the low final costs of the system in use in store 21 is the result of its high standard of net sales per individual—$879 per week. If the system were adopted by a store which could get only $500 in net sales the selling cost would be 4.3 per cent, the average of our group of stores—a higher cost than firm 21 is operating on.

It is worth stressing these basic facts because when a store adopts the system of another it must take into account the accompanying factors. The question for debate in connection with the system is, does the high basic rate or the differential above quota account for the high sales? Is the payment of more above quota than below a factor in stimulating sales and creating a desire to sell after the quota is reached? Such a question is difficult because few stores pay a higher rate above quota than below. If there is a greater incentive to sell above than below something can be attributed to the system itself. The advantage of the differential rate is obvious since it secures relatively low costs on low net sales and again gives low costs if unusually high sales are attained. At levels of sales below $375 and above $625 it is more economical than the system in use in firm

54 despite the fact that 54 has a basic salary of $17.12 and firm 21 one of $18.77. For the same sales it gives higher costs at all points than the systems in effect in store 25. It should be added, however, that earnings are also higher.

An analysis of the basic possibilities of the wage systems in effect in various stores cannot help convincing one that there is a chance for the economical operation of any of these systems. The economy depends upon whether or not a high volume of net sales can be obtained. The system in effect in store 21 in which unusual results are being attained, would not yield any more in the way of a low selling cost than many of the systems in the other stores if it were not operated at a high volume of sales.

Our question comes down, then, to one of whether the wage plan itself, the administration of the plan, or the opportunity for selling in the store makes for high individual net sales. It is useless for any store to take over the system of another and expect the same results unless it takes along with the plan the knowledge that its success at the present time rests upon its net sales results especially if the latter are in part attributable to factors outside the wage plan.

Quota-Bonus Systems

In many respects the system of store 21 is similar to a quota-bonus method with a guaranteed wage. Let us, therefore, consider the curves for the quota-bonus stores. The three stores chosen for illustration determine their quotas by capitalizing their salaries at 4 per cent. For sales above quota the percentage differs in each department. Store 79, with a basic rate of $18.00, pays 2 per cent, or one-half as much above quota as below—a 2 per cent bonus on individual weekly sales above $450. Store 48, with a base rate of $16.14, pays 3 per cent above $403 and store 41, with an average rate of $15.45, pays 4 per cent on all sales above $386, or the same amount above and below quota.

If a high bonus above quota were the whole explanation of high sales attainment then these stores should show an increase in sales as we reach the one with the highest bonus rate. Actually the store paying 2 per cent averaged $584 in net sales, the one paying 3 per cent averaged $515, and the third, paying 4 per cent, but $439. At the sales attained, if the systems were operated as budgeted, firm 79 would have a selling cost of 3.7 per cent; firm 48, with its lower drawing account 3.8 per cent, and firm 41 a flat 4.0 per cent. Different results were obtained. Firm 79 showed costs just a trifle below its budget estimates; selling costs in the other two stores were 4.4 per cent and 4.2 per cent—a situation which is accounted for by many failures to make the quotas and the necessity of guaranteeing drawing accounts.

Looking at the curves of these stores from the point of view of the basic wage plan, it is evident that the plan in operation at firm 79 would give the highest costs for sales of less than $450 owing to the high basic guaranteed drawing account; beyond $450 it would give the lowest costs. It is also clear that the bonus plan of store 48 operates at higher cost levels than the plan of firm 41. These curves are of course exactly like straight salary curves up to the point at which quotas are attained. If quotas are not attained, since the wage is guaranteed, the last two will be more expensive than salary plans with the same weekly wage because they give no chance to balance the cost of low and high months. The earnings and selling costs under the various plans at different levels of sales are given in Table 119.

All the systems here illustrated, except those in firms 21 and 41, have selling costs decreasing in the exact ratio of the increase in sales. In the plan of firm 21, purely from the point of view of the store, it is not advantageous to have clerks pass their quotas by a minor amount. If the quota is $400, sales at $425 because of the 2 per cent bonus are made at no lower cost than are sales of $400 with the commission of one-half of one per cent. In fact there is little economy until the sales clerk exceeds $500. Let us make this clear. A

TABLE 119

EARNINGS AND SELLING COST UNDER DIFFERENT WAGE SYSTEMS IN HOSIERY DEPARTMENTS

Average Weekly Net Sales	Selling Cost						Average Weekly Earnings					
	Straight Salary		Salary Plus Commission		Quota-Bonus		Salary Plus Commission			Quota-Bonus		
	Store No. 23	Average*	Store No. 25	Store No. 54	Store No. 21	Store No. 79	Store No. 41	Store No. 48	Store No. 25	Store No. 54	Store No. 21	Store No. 79	Store No. 41	Store No. 48
$200	13.6	9.0	9.1	9.6	9.9	9.0	7.7	8.1	$18.20	$19.12	$19.77	$18.00	$15.45	$16.14
250	10.9	7.2	7.4	7.8	8.0	7.2	6.2	6.5	18.45	19.62	20.02	18.00	15.45	16.14
300	9.0	6.0	6.2	6.7	6.8	6.0	5.2	5.4	18.70	20.12	20.27	18.00	15.45	16.14
350	7.8	5.1	5.4	5.9	5.9	5.1	4.4	4.6	18.95	20.62	20.52	18.00	15.45	16.14
400	6.8	4.5	4.8	5.3	5.2	4.5	4.0	4.0	19.20	21.12	20.77	18.00	16.01	16.14
450	6.0	4.0	4.3	4.8	4.7	4.0	4.0	3.9	19.45	21.62	21.02	18.00	18.01	17.52
500	5.4	3.6	3.9	4.4	4.3	3.8	4.0	3.8	19.70	22.12	21.27	19.00	20.01	19.02
550	4.9	3.3	3.6	4.1	3.9	3.6	4.0	3.7	19.95	22.62	21.52	20.00	22.01	20.52
600	4.5	3.0	3.4	3.9	3.7	3.5	4.0	3.7	20.20	23.12	22.30	21.00	24.01	22.02
650	4.2	2.8	3.1	3.6	3.6	3.4	4.0	3.6	20.45	23.62	23.30	22.00	26.01	23.52
700	3.9	2.6	3.0	3.4	3.5	3.3	4.0	3.6	20.70	24.12	24.30	23.00	28.01	25.02
750	3.6	2.4	2.8	3.3	3.4	3.2	4.0	3.5	20.95	24.62	25.30	24.00	30.01	26.52
800	3.4	2.3	2.7	3.1	3.3	3.1	4.0	3.5	21.20	25.12	26.30	25.00	32.01	28.02
850	3.2	2.1	2.5	3.0	3.2	3.1	4.0	3.5	21.45	25.62	27.30	26.00	34.01	29.52
900	3.0	2.0	2.4	2.9	3.1	3.0	4.0	3.4	21.70	26.12	28.30	27.00	36.01	31.02

*Average of all salary departments

clerk selling $450, of which $400 is paid at one-half of one per cent and $50 at 2 per cent, will have nearly as high a selling cost as clerks selling only $400. It is in the higher sales above quota that the economical operation rests. Store 41 gets no sales at less than 4.0 per cent. From the point of view of the store, once quotas have been made it would be just as economical to have the sales made by an extra clerk except for the accounting involved in having a large number of persons on the payroll.

Looking at the plans from the point of view of what the bases offer in themselves, one can see that most of the methods of payment would give low costs and many of them about the same rate of costs within some reasonable range of net sales. The basic rates represent a large proportion of the total earnings. None of the systems give low costs and high earnings unless the individual clerk can get high net sales. The question remains—is a high basic rate or a high bonus incentive or other factors the key to high sales. Unless we can show that one method is the incentive to sales effort which another is not there is no way of relating results to methods.

Any one will agree that there are two advantages connected with a high basic wage. The store which is paying, in any community, a higher basic wage than is usual for work of the same kind, can select the best grade of employee. Its executives can take advantage of that selection only if they are able to insure an opportunity which will make the better employee effective within the organization. If they can insure the opportunity, our study shows that the abler employee will more than offset her wages. The selection must be supplemented by good training and all the other factors that go to make an understanding of the store's system and the effective making of sales within the conditions set up.

The same reasoning applies to the basic salary in a quota-bonus system. Up to the point of the quota, the system operates exactly the same as a straight salary system. After

the quota has been made, the operation depends upon the amount of bonus above quota. Stores have found, however, that the payment of a high drawing account tended to be an incentive quite as much as the bonus above quota; consequently they have increased their drawing accounts to make them an incentive for the sales person to attempt to retain her higher ranking. In this there is both the desire for remuneration and the desire to be recognized among other sales clerks as a person who is selling on an unusual plane.

We come then to the question of whether a bonus above this wage is an incentive or not. Any one would be on very rocky ground, from the figures we have shown, to try to prove that the amount of the bonus, in itself, will insure high sales. If the bonus above quota were the only factor then the store that pays 4 per cent above quota should get better results than the store that pays three and the store paying 3 per cent above quota should have higher sales than the store paying two. Actually we find no such result in the figures. The three quota-bonus stores used for illustration on our chart show that the firm paying 2 per cent has the highest basic salary to the employee and the highest average net sales. The firm paying 3 per cent is getting higher net sales than the one paying 4. Consequently we must dismiss the statement that the amount of the bonus is, in itself, a factor that would alone be sufficient to warrant high sales. This analysis gives no indication of what the results would be if the store paying 2 per cent above quota with the same selling opportunity should raise its bonus to 3 per cent. It merely shows that there are other factors in each store which influence the volume which an employee can sell as well as the rate of bonus. The basic plans show that there are varying possibilities of economical operations and high earnings under any of these systems.

In discussing the wage systems in use in hosiery selling we selected the most successful operation of the salary plan in our participating group, the system in a large store, and the average of other smaller salary stores. In the salary

plus commission group of stores there are five, other than firm 25, paying one-half of one per cent on all net sales; one, store 30, pays about the same basic wage as firm 25; three of the others pay a lower basic wage and one a higher. The firm used for illustration is getting higher net sales and maintaining a lower selling cost than any others operating upon a flat one-half of one per cent on all net sales. We have, therefore, charted the plan most successfully operated in the one-half of one per cent commission group. Analysis shows that within this group of stores paying the same rate of commission on all sales there are as wide differences in sales results as there are in stores using different forms of payment, indicating that the administration of the same plan does not give uniform results between stores. Store 54 used for illustration of the form of commission payment based on *one* per cent instead of *one-half of one* per cent starts with the same basic salary as firms 25 and 30. Its employees average besides, $4.21 weekly in commissions, but there is only one of the stores paying a lower percentage of commission with average weekly sales as low as this store shows for its *one* per cent. One is forced to conclude that there must be limitations in many of these stores which outweigh in importance the rate of commission.

One cannot say that any two of the quota systems are quite alike, since they either start at a different point or use a different combination of rates. The three selected include firm 79 with the second highest [1] average net sales in the strictly quota-bonus group, and two of about average sales.

Typical Plans of Payment in Ready-to-Wear Departments

Before considering the other results in hosiery departments it is essential to state how the various rates of commission operate in a department in which there is more opportunity for salesmanship than in hosiery. Let us take

[1] The highest one changed its form of payment during the year.

the discussion of wage systems into the ready-to-wear department. The data for these departments are given in Chapters VIII and IX but in these chapters no attention is given to the separate effect of the various rates of commissions and bonuses.

Chart LV is drawn to show the basis of operation in 7 stores. This particular group is selected because the stores do not pay many different rates in separate selling units. The average weekly salary of full-time employees, exclusive of commissions and bonuses is used as the starting point of the curve for each store. We reserve for separate discussion the part-time and per diem clerks, since their *employment* varies greatly both by the size of the department and by the store policy. Chart LV shows selling costs, at different levels of sales, in firm 24 paying straight salary, in firms 70 and 92 paying one-half of one per cent and one per cent respectively, and in 21 with its varying commission. The other three departments represent two quota-bonus and one straight commission.

In all systems selling costs decrease rapidly as sales are climbing from $200 to $400. The curves are started at $200 because any department which operated with less than $200 in sales would have prohibitive selling costs.

Form 30, shown in the dotted line on Chart LV, paying a straight commission of 3½ per cent in ready-to-wear, has a few clerks on straight salary or its line would be horizontal. Selling costs are the same at all levels of sales. Barring the few salary clerks, the firm gains little, except in reduced overhead and satisfaction of its personnel, from high individual sales. On the other hand, since costs do not decrease as sales volume increases, the store has the choice of letting the employees have the advantage of an increase in business or of putting in extra clerks, if it feels the latter policy would insure better service. Store 30, however, was fifth highest in net sales in our ready-to-wear departments. Consequently there is no reason to assume that the system did

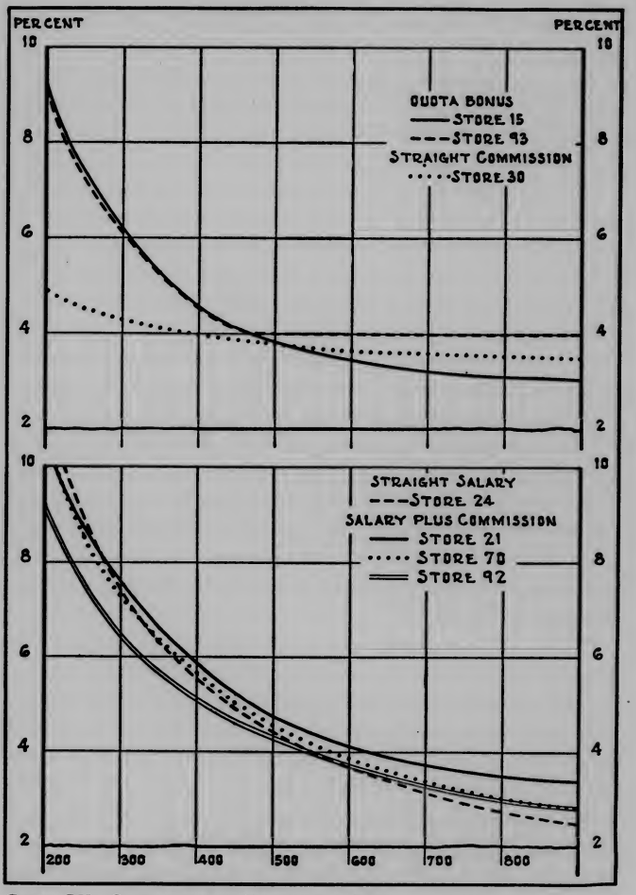

CHART LV—COMPARISON OF ECONOMICAL POINTS OF OPERATION OF WAGE SYSTEMS IN READY-TO-WEAR DEPARTMENTS

not operate to the advantage of the clerks regularly employed.

The quota-bonus system of 4 per cent above and below used by store 93, would operate the same as the system in use in firm 30 after the quota was attained; namely, it would show no decrease in costs resulting from high individual net sales. Since the firm guarantees the weekly drawing account the operating costs depend upon the number of clerks who sell as much as their individual quotas.

Quota-bonus stores paying a lower rate above than below quota and those with a salary or a salary plus a commission present quite a different picture. In these stores, the chart shows costs still falling at $900 in weekly net sales. The decrease on sales over $600 varies directly with the rate of commission. Omitting firm 30, it is clear that selling costs are high in each of the other six stores if individual weekly net sales are below $400. Under this amount costs are influenced by the basic weekly rate more than by the commission on sales. The store with the highest rate shows the biggest drop in costs as sales expand from $200 to $400. Beyond $600 the costs are influenced primarily by the rate of commission or bonus.

These curves indicate the possibilities of the various systems in use in these departments. They differ from hosiery in that the commissions are pyramided upon a higher weekly rate and consequently, if sales are low, higher costs will result than in the systems in use in hosiery. They introduce no new principle not already shown in hosiery curves. But it is essential to emphasize the fact that some of the systems start with a different basic wage which influences costs in the lower levels of sales, a factor which accounts in part for the wide range of selling costs for employees in the same department.

The basic wages and net sales of the firms on the chart are given in the accompanying table as well as the actual earnings and selling costs.

Store Number	24	70	92	21	15	93	30
Basic Wages.....	$22.08	20.34	16.38	21.31	18.59	18.42	
Actual Earnings.....	$23.84	23.70	20.97	30.93	20.14	21.90	29.28
Actual Net Sales....	$709	493	509	860	359	461	747
Selling Cost.....	3.4	4.8	4.1	3.6	5.6	4.8	3.9
Net Sales at 4.4 Per Cent Selling Cost..	$500	520	480	545	420	415	

In ready-to-wear departments, four other salary plus commission stores pay the same percentage on all sales as does firm 70—one-half of one per cent. Of these the firm with the highest basic weekly salary has the highest net sales but since this one is the same firm which was highest in hosiery where its basic salary was not above the others, we are led to connect the sales record with the firm rather than the method of payment especially since there is a wide variance in all the other departments.

Sales Attained under Typical Systems in Hosiery Departments

What are the best results attained in actual operation in hosiery departments under the typical wage systems already considered?

This question can be judged in two ways: first, by the attainment of the upper third in sales; second, by the sales in the best months.

The group with highest sales in each hosiery department averaged:

Method of Payment	Store Number	Net Sales
Straight Salary.....	23	$831
Salary Plus Commission.....	21	951
	25	897
	54	501
Quota-Bonus.....	48	956
	79	711
	41	512

With one exception these give us no different ranking from that found in the averages of all employees. There are stores under each method of payment with high sales attainment. The systems here considered are operated at different levels both in good and poor months. The firms highest in averages for the year are also highest in dull months.

What prospect is there that the stores now operating with low net sales per employee could actually sell more? If they retained the same employees in the department whom they now have, in order that each employee sell more there would have to be an increase in the total net sales in the department—a definite increase in business. Such increases do take place from one month to another. The prospect of the employee's increasing can, therefore, be judged by what happens at these times of increased sales for the whole department. The problem of payment is not bounded by the method in use. The administrative task is: (1) to give the sales clerks normally in the department an opportunity to approximate the sales which they are capable of handling; (2) to attempt to improve the selling of the lowest producers.

If we look at the sales of identical employees in hosiery departments (12 months in each department), we shall see that it is difficult in all systems to keep a balanced opportunity in good and poor months.

In some cases the same employees doubled their weekly sales from one month to another. Form 54 sold from $312 in its lowest month to $668 in June, its best month, a higher average than the upper third of its employees had throughout the year. Firm 48 varied from $426 to $705 in net sales of twelve-months employees except for December, when it attained $1222. Since during many months its employees averaged more than $600 there is no explanation for the lower averages of the department except that too many sales clerks of low efficiency were retained in months when they were not needed. The part-time clerks are outselling the regular employees in good and poor months. The firm can find an indication of what the employees can

FLUCTUATIONS IN AVERAGE WEEKLY SALES
TWELVE-MONTHS EMPLOYEES IN HOSIERY DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average
21	$794	$922	$931	$1,363	$792	$774	$992	$929	$1,039	$1,187	$885	$975	$962
23	538	661	655	1,166	582	648	693	695	750	822	512	381	679
25	481	619	609	904	511	717	754	685	776	842	609	692	693
41	339	451	404	800	317	370	471	512	467	477	411	404	456
48	705	697	546	1,222	428	537	591	508	617	626	539	426	624
54	372	397	484	581	380	393	446	312	430	668	493	439	442
79	442	705	638	1,070	423	717	616	494	732	532	453	548	612

sell by noting whether in months of increased business the employees can increase their sales in proportion to the increase in the department.

But our study shows emphatically that the number of employees needed in a department cannot be determined from sales figures alone. In firm 79 the same employees who sold $638 per week in November sold $1070 in December but they averaged exactly the same number of customers per week in both months. In firm 23 sales increased 78 per cent and customers 46 per cent, so that the employees could not have been selling at their maximum in November. The conclusion must be that higher net sales do not necessarily mean greater sales effort. The analysis of sales and transactions should be both considered in determining the opportunity to sell.

FLUCTUATIONS IN AVERAGE WEEKLY NUMBER OF TRANSACTIONS TWELVE-MONTHS EMPLOYEES IN HOSIERY DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Average
21	133	157	155	226	159	161	385	366	407	470	356	396	396
23	221	313	208	405	270	341	172	168	184	189	132	97	162
25	160	220	210	346	172	205	345	316	359	373	262	315	323
41	189	242	274	274	176	241	241	254	237	246	215	208	228
79							263	222	253	229	197	216	237

There is more explanation for high individual net sales in these departments in the way in which the number of employees is adjusted to the volume of business than in the method of payment. If the two months following December are studied a decline of 25 to 57 per cent in total volume of the departments is evident. Notably in firms 21 and 25 but also in others with high average sales, the personnel was proportionately reduced. In other cases employees, needed for the unusual December peak, were retained through January and part of February, with the result that groups of employees were averaging 40 per cent less per week than in December. One firm made no reductions until its full-time employees were selling 60 per cent less than they sold in December, and then solved its problem

by dropping all its part-time employees who were doing the most effective selling in the department. In one firm with 17 employees, though the total volume decreased 55 per cent, only one less sales clerk was employed in January and February than in the peak in December. If this were a period when high sales were in prospect, or when previous experience would warrant the likelihood of increased sales, one could explain the reserve of trained employees. But the peak of December in hosiery is not likely to be matched again in the year, and if the employees cannot be transferred they are certain to cause low average sales for others in the department, if retained.

In many of the departments the employees on the roll in March demonstrated that they were able to take care of the April and May gains in sales, even though the increases were as much as 40 per cent over March.

SALES ATTAINED IN READY-TO-WEAR DEPARTMENTS

What the regular sales clerks can sell is better indicated in ready-to-wear departments in months of increased business. In most ready-to-wear departments there are three or four consecutive months of gradually increasing business in autumn and again in spring. The early spring increase involves transactions of about the size of the average throughout the year. The spring increase in business is also gradual and moderate. If the employees regularly in the department can increase their sales there would seem to be no need to add others to the department to care for the increase in volume. Therefore we consider, for the seven stores whose wage methods were shown on Chart LV, three months of successively increasing sales and three of successively decreasing sales.

The employees in each department are classified into three groups: twelve-months employees, full-time short-service, and part-time and per diem. In each of the seven stores considered for wage payment, the sales of twelve-months employees show a gain or decrease in the spring months

exactly similar to that of the total department except in firms 30 and 93. In both of these stores the rates should give an incentive to sell since employees are paid the same rate on all sales—in the one case 3½ per cent straight commission, in the other 4 per cent above and below quota. In firm 93 when business in March increased 6.6 per cent over February, the twelve-months employees showed a decrease in their average weekly sales. In the ready-to-wear department of firm 30, the twelve-months employees increased their sales considerably but not proportionately to the increase which took place in the volume of the department. One would have to conclude either that employees were selling as much as they could, under the circumstances, in February or that other employees were added to the rolls. As a matter of fact both stores show little variation in the number employed in these months. The other groups in the departments, then, rather than the twelve-months sales persons, took most advantage of the increase in business. In firm 30 the short-service clerks absorbed most of the increase, probably because their sales in the months used for comparison were quite low. The twelve-months employees must have been quite close to their maximum possible sales in April, under the arrangements for selling, since they were able to increase their sales very slightly over March despite a large increase in total departmental volume.

The record of this particular store is interesting because of its successful operation. The purpose in stressing it is not to direct attention to a particular set of figures but to show that, to determine the prospect of making high net sales, it is necessary to separate the work of the employees on different time schedules and see what is attributable to groups, what to increased business. In passing, it should be noted that this store never attains its 3½ per cent selling standard because 9.9 per cent of the earnings come from P.M.'s, stims and vacations which are not accounted for in the commission rate.

To show that it is not possible to discuss the success of

CHANGES IN AVERAGE WEEKLY NET SALES
READY-TO-WEAR IN STORE 30

	All Employees			Twelve-Months Employees			Full-Time Short-Service Employees			Part-Time and Per Diem Employees		
	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.	Feb.	Mar.	Apr.
Average Weekly Net Sales	$645	850	878	875	1,039	1,080	495	720	709	634	846	917
Per Cent Increase over February		31.8	36.1		18.7	23.4		45.5	43.2		33.4	44.6
Selling Cost	4.1	3.7	3.7	3.8	3.7	3.8	4.6	3.9	3.8	3.9	3.5	3.3

wage systems independently of their administration, we follow through the record of the various groups in the department paying 4 per cent below and 4 per cent above quota. This firm has a very serious problem in its group of twelve-months employees. They not only allowed the short-service employees to absorb most of the increase in spring business but they also have the highest selling costs in the department and keep the percentage of salaries to sales well above the estimated 4 per cent. The part-time and per diem employees have the lowest selling costs and the largest average weekly sales. The full-time short-service people outdistanced the more permanent group of employees in every month. This is a case where the system in use is quite successful for two groups of clerks but is breaking down because of the lack of attainment of the nucleus of older clerks whose weekly wage is guaranteed and whose sales are below their quota even in months of good business.

We need not discuss in detail the other stores since the only object of this discussion is to show that stores can find within their own organizations a measure of the possibility of increasing net sales. In both firms 24 and 92 employees gain or lose in average net sales about as much as the department as a whole does. It is worth commenting in passing upon store 21 which is alone among the group used here for illustration in showing gains in sales in months of increasing business about evenly distributed among its three groups of clerks on different time schedules. In the face of increasing sales the number of employees in the department was reduced each month from February to April, so that the remaining clerks had more opportunity to earn 2 per cent on their sales above the average weekly quota.

In these typical ready-to-wear departments the three stores with highest net sales and lowest cost each use a different form of payment—one pays straight salary, one salary plus a differential commission and the third a straight commission. The two firms paying one-half of one per cent and one per cent differ in average weekly sales by only $16.00. One of

the bonus systems used in this illustration had net sales equal to its budget estimates, but had to absorb costs on unearned drawing accounts; the other, a small department, is far below the necessary net sales.

Some of the larger quota stores get better results, but discussion of their wage systems would involve the detailed showing of their selling units and successful operation was illustrated in the hosiery department already discussed.

The Rates of Commission and Bonuses

When it comes to appraising the various salary plus commission and quota plans, one can say that a high rate of bonus does not, in itself, insure high net sales. In fact, in some cases it is not clear as to what part of the payment is meant to be an incentive to sell and what part is basic salary.

In hosiery departments, the salary plus commission and quota stores are paying as much in basic weekly salary or guaranteed drawing accounts as is paid in weekly wages by the salary stores in the study, except in one high wage department. The basic weekly wage, exclusive of P.M.'s, stims and commissions is about $17.00 per week for selling hosiery. Employees in salary plus commission departments receive, in addition, $2.00 to $8.50 per week depending upon the store. The absolute amount earned from commissions is as high in some stores paying one-half of one per cent as in others paying a larger rate. In three of the quota stores the amount of bonus participation is less than $1.00 per week; in the others it is $2.00 to $7.00.

In ready-to-wear departments the basic weekly salary is not as high in salary plus commission stores as in salary stores. There are exceptions. But in the main weekly basic salaries are lower under the salary plus commission plans in ready-to-wear than under straight salary and lower than drawing accounts under quota systems. Clerks in salary plus commission stores receive about the same from commissions as do the clerks in quota stores from bonuses. The departments with high basic rates are, in the main, those in which

most is being received from commissions and bonuses, so that it is impossible to say whether the basic rate or the percentage on sales is a factor in the outcome. The commissions in addition to salary amount to $2.48 to $9.78 per week. The bonus stores fall into three groups: one in which bonuses add less than one dollar, one with bonuses of $2.00 to $4.00, and one with bonuses of $4.00 to $9.00 per week.

Obviously, if the commission is just a part of the regular weekly wage paid in another form, with the basis set below the going market rate, it will not operate as an incentive.

The same is true of the determination of drawing accounts. The basic payment determines the class of employee which the firm can hire. Beyond this the rate which will prove an incentive must be determined in each local situation according to the effort exerted to make higher sales. In any case, individual effort can be only partially distinguished since sales are limited by the number of customers.

There are more administrative difficulties cited in connection with quota systems. There are also cases in this study where the system is operating for all purposes exactly like a straight salary plan. On the other hand, some of the stores are having marked success with this form of payment. The fact is that a complicated form of reward is not a test of the employee but a test of management. Some of the firms have raised drawing accounts to the full extent of any improvement in sales, leaving nothing to be made at a bonus rate. The following, from a store which recognizes this problem, is of interest.

"During the last few years there have been only about 10 per cent of our sales people who have participated in the bonus. Too, in some cases as in yard goods due to a decline in volume, and in other departments, the sales person has requested an increase in weekly drawing account so that the bonus participation fund has been completely exhausted."

Many firms are aware of the danger of gradually increasing drawing accounts during a time when prices are going up, but few seem to have taken any steps to correct the

figures used for salary review by the price trend. In some cases the salaries were not even readjusted when it was found that employees were unable to produce their quotas.

The argument over the amount of bonus which should be paid above quota goes back to the basis for the determination of drawing accounts. The store which pays the same above and below may feel less pressure to push up the drawing account but if it guarantees the wage it will never come within its estimates unless every single employee makes the expected quota. The chance of going above is decreased if the balances are carried for a long period but the incentive is also thereby reduced.

There is more to be said for paying the same above and below quota when the risk is thrown upon the employee as in commission systems, or in the reward to outside salesmen, as in radio, electrical equipment, etc., where the initiative of the salesman brings such business as is secured. Within the store the chance to make high sales depends primarily upon business brought into the department without the effort of the sales clerk. The study shows that the employees increase their sales in accord with seasonal activity in the department as a whole. High sales can easily be made in peak months. To reward these on the basis on which all sales are rewarded in dull months is to give a bonus for opportunity and to introduce a fluctuation into earnings exactly comparable to seasonal changes in volume. The fact is that the earnings are not determined by the rate but by the opportunity for making sales.

Some of the systems are dependent for results upon the way in which the sales force is adjusted to the number of customers. In quota-bonus plans the firms set up the system by capitalizing the selling salaries in the department at the cost rate which is determined from past experience. The next step should be to compare this with the budget estimates. The procedure is the same and the consequences the same whatever rate has been determined upon to fix the quota. The percentage will be one rate in one department and

another rate in another. Whatever the rate, the sales clerks will come no nearer to the quota set for the individuals than the total business of the department comes to the budget estimates. Let us assume that the decision based on past experience is to maintain a 5 per cent department with 12 sales clerks at a weekly drawing account of $20.00 each. Then total salaries would be $240 and it would be necessary to sell $4,800 per week in the department or about $21,000 in a month. If the month's business does not hold up as well as the estimate it is certain that some or all of the clerks, if retained in the department, are not going to reach the estimate. If the store sees that a change in business is going to make it impossible to bring in more than $15,000 worth of business in a particular month, it knows in advance that costs are going to be higher than budgeted unless some means are taken to transfer, out of the department, enough sales clerks to bring basic salaries in line—in this case down to $170 instead of the $240 with which it started.[1]

The chance of reducing the salary wage bill depends upon three factors: (1) training for interselling; (2) definiteness about the basis upon which transfer takes place; (3) the space over which the selling unit is spread and the need of keeping a nucleus of trained employees in each department.

Training for interselling involves developing a technique of interchange between departments of as nearly similar sales requirements as possible. In fact it might be very beneficial to have clerks in ready-to-wear departments get some experience in selling accessories. Stores are paying stims to have employees suggest that dresses be matched with scarfs, bags, gloves, hosiery and what not. The suggestion would be made more naturally and with more conviction if the clerks knew first hand what could be matched.

Transfer of employees in any type of work is not easily arranged. The employee makes friends and establishes a certain loyalty to any department to which she is permanently attached. Changes to other divisions of the store are

[1] Stressed by Mr. Frank H. Neely at N. R. D. G. A. Convention, Feb., 1930.

never easily made even when the results of the change will be to the employee's advantage. But with the seasonality in different grades of merchandise the only possible way of equalizing opportunities in various months is to hire and train with the idea of transfers as a part of the occupation. "Storemindedness" should go further than the executive organization. If all sales clerks think they are judged by the sales they make in one department and their whole record does not get to the attention of any one whom they regard as responsible for their rating there will be a hold-back about being transferred. Stores build up the idea of departmental affiliation when the only way of operating the quota system which is being set up is by interselling and transfer. Yet the amount of transfer reported by some stores in the year of this study was amazingly small.

Not only should the idea of transfer be part of the training of sales clerks but the basis on which transfers to various types of merchandise will be made should be definite. Our questionnaire on methods of payment indicated that many stores regarded the problem as one for casual attention. In answer to the question how rates were adjusted in the case of the transfer of a clerk to another department, 135 stores gave replies and of these, 65 changed salaries to conform to the rates in the new department and 64 retained the old rate. A few stated that salaries were changed only when the revision was upward. Six firms had no fixed policy, but judged each on its individual merits.

In a store which is operating on a quota-bonus or commission basis this casual attention is inconsistent. Either the employee should be transferred only to a department which pays the same rate as the one in which she has been working or the firm should take the position that there is some reason for the existence of different rates in the various departments and that the prevailing rates actually do equalize the opportunities for selling different grades of merchandise; therefore, the standard of the department transferred to is the fair basis for its sales. The percentage should vary in

some departments where there is a justifiable variance in departmental sales prospects.

To take any other position is to discourage interdepartmental transfer. If the transferred employee is paid a higher rate than others in the department she will be unwelcome; if paid less it will be difficult to persuade her of the equity of the change, even though the store may know quite well that if she stays in her own department she will earn still less.

Incidentally the study of the sales of these transferred employees of known selling ability in one kind of merchandise is a very good test of the opportunities under the rates set up for other kinds in other departments.

Doubtless there are other causes of transfer which should be judged on individual merit—changes to meet an emergency in some department, when the employee is transferred for the convenience of the management and not because of lack of selling opportunity in her own department. With these and with transfer for better placement we are not here concerned. The transfer from a department because of changes of sales volume or because the department is not keeping up to budget estimates is the one in which we are interested. Careful adjustment is essential in all systems. In quota systems it is imperative. It is useless to plan quotas carefully from month to month and fail to take the next step of adjusting the number of employees to the number of customers.

It is admitted that the reduction which can be made in number of sales clerks in a department is limited by the space originally allotted to the department. Managers are likely to use this as an unassailable reason for maintaining an excess of sales clerks. It may be a necessity if the department is merely subjected to a short, unexpected turn of volume. For a longer decline or for normal seasonal variation, it is not a very convincing argument. Some consolidation with other merchandise is surely possible. If not, firms will have to give up the idea of relating the sales clerk's earnings to

sales and pay some clerks merely for watching counters. Some firms in the study did this without admitting it.

This discussion concerns the necessity of adjustment within the organization to a decrease in volume. There is a further problem concerned with increasing individual net sales. The possibility of increase depends upon: (1) finding out what the regular sales force can do; (2) improving the selling of the least effective in the sales group. Unless means are taken to reduce the number of employees in a department when there is evidence of a reduction in sales, selling costs will be high, earnings of employees will be low and if the store is attempting to operate a complicated wage system, either employees will be in arrears or the firm will have to absorb the cost in unearned drawing accounts.

The need for improvement in the sales of the lowest third in each department has been shown in the factual data of the study of each department. It was shown that in ready-to-wear departments the lowest third in net sales had selling costs of 5.6 per cent in small departments, 5.7 in middle-sized, and 5.6 in large departments. Contrast with these the selling costs of the upper third in sales in the same departments—4.4 per cent in small departments, 4.0 per cent in medium-sized, and 3.7 per cent in large stores. These figures indicate that all stores have a standard within their own selling units under their present method of payment.

The possibilities of such improvement may be indicated by a few cases. If firm 23 had to make its present hosiery sales at the selling efficiency of the lower third in the department, the number of hosiery sales clerks would have to be increased 32 per cent and the wage bill increased by 19.5 per cent. If, on the other hand, the firm could improve the efficiency of the lower net sales group even to the level of the middle third in sales its number of employees would be decreased by 6.7 per cent and, if the third who improved were raised to the earnings of the middle group, the wage bill of the total department would still be lowered by 2.7 per cent.

If the lower sales group of firm 25 could be raised to the efficiency and earnings of the middle group the total wage bill would be reduced 6.8 per cent. If store 54 could increase the selling of its lower group to the standard of the middle sales group, since both are now receiving the same weekly rates, it would decrease its total selling wage bill in hosiery by 9.4 per cent without any reduction in income to its employees.

The reason for these figures will be made clear by comparing the percentage difference in the weekly sales of the lower and upper third in hosiery departments (Tables 19 and 20 in appendix). In the departments studied, there is not one case in which the average weekly sales of the upper sales group are not 40 per cent higher than those of the lower group. There are many cases where they are more than double. These higher sales in all cases are accompanied by higher earnings to the sales persons and lower selling cost to the store. Transactions figures provide the clue to explain some of the differences in selling efficiency. It might be assumed that the higher priced merchandise would account for the high level of sales attained by the upper third. This is partly true. Yet, in firm 25 the upper third actually makes slightly smaller unit sales but this group makes over twice as many sales. The percentage of increase in number of transactions shows that in most of these departments the actual number of customers served was increased even more than the size of sales.

Within the ready-to-wear departments the divergence between the attainment of the lower and upper sales group is even greater than in hosiery. In these departments, however, the higher sales are more frequently made on the basis of a high sales check than by an increased number of transactions. In two stores only are the groups with the highest sales selling at a higher cost than the lower sales group.

There are, beyond the range within departments, differences in the whole level of selling between stores. In fact the highest sales attained in some stores rank below the

average in others. All the responsibility for these differences cannot be attributed to wage payment. Despite the fact that this study is not concerned with problems of merchandise control or display it is relevant to point out that the ease with which sales can be made depends upon whether it is the policy of the store to arrange its stock so that the customer does something toward making her own selection. In ready-to-wear departments some stores so arrange their merchandise that every part of the customer's selection involves the time of the sales clerk. If no dresses are displayed on racks, if they are all in closed cabinets so that the customer must wait before she can see any merchandise, then a large amount of the sales clerk's time will be absorbed in making a single sale. Doubtless the protection of delicate fabrics and high-priced dresses is essential; and part of the economy from preventing soiled merchandise is worth more than sales in high-priced fabrics. This is less true of some of the lower-priced apparel. The amount of service which can be given in selling an article to a customer, however, depends upon the price of the article. In a ready-to-wear department the store which puts all its merchandise in cabinets must have sales clerks ready to serve the customer the minute she arrives in the department. The store which has some merchandise which the customer can look at on racks can perfectly well afford to have the customer wait a few minutes before a sales clerk attends her. More than that, it is very likely that in the waiting period the purchaser will have looked around and seen something on the order of the article which she is seeking. When the sales clerk comes to her she knows by the type of dress which has attracted attention, something about the style and price which the customer has in mind. Some customers can be served by following up this lead and a considerable amount of time is saved. Besides, the sales clerk has information which is difficult to get by questioning.

All this merely indicates that the possibility of net sales within any organization depends somewhat upon the method

the store itself has adopted for making it possible to have the customer do a little of the selection herself or of putting the whole burden of determining what is wanted and what price is likely to be paid upon the sales clerk. This is one aspect of net sales which should be taken into account when comparisons are made of the net sales attained in different stores. These are matters of store policy. The store which sets out to be exclusive must give more service to make each sale. Its chance of high net sales depends upon making large unit sales to a few customers. The method of payment it adopts should be in accord with its other policies.

In departments other than ready-to-wear there is an economy from giving attention to the effect of the arrangement of stock upon ease in selling. The hosiery departments in this study are far from having attained stability in selling costs. Despite all that has been said by others about surveys of how the customer buys there is still much to be done in arranging stock in keeping with the way purchases are made. We do not know whether the average customer is interested primarily in the weight of hosiery, the gauge, the price, the size, or the color. It may be that in one store the stock should be arranged at different counters on the basis of price; in another on the basis of weight. It may be that the store has two kinds of "average customer," the one who purchases at one price and the other who wants to see a range of prices. If the store finds that most customers want to see two grades of hosiery before making purchases then it is an economy to put both at the same counter to save beginning all over again and using the time of another sales clerk before a sale can be made. Once the store has found what proportion of its customers really go directly to the counter at which they want to purchase, it can take means to provide for the other group of customers who must be shown a number of kinds before they purchase. The most time-saving arrangement may have to be redetermined at intervals. Customers may have a perverse way of being interested in sheerness in one period and price in another. The point of interest here is

that no system of commissions or bonuses will spur the employee to make high sales unless there is back of the wage payment an effective arrangement and control of stock.

Rating of Employees for Selling Attainment

In an attempt to find out whether a higher proportion of employees were doing poor selling under one type of payment than another, employees were rated by their net sales and the average selling attainment of the department in which they were working. This was merely a means of separating those far below the standard of their own department and those far above, from the middle sales group. Since the rating had to be made on the selling costs of a single year, account was taken of the fact that selling costs were higher in some months than in others. Consequently, short-service employees were rated on the basis of costs during the months in which they were employed. In hosiery departments in salary stores about 25 per cent were selling 20 per cent below the standard of their departments, 22 per cent in salary plus commission and 17 per cent in quota systems. The percentage, however, differed between firms, some operating with few clerks as much as 5 points below the department standard. As an offset in salary stores, 15 per cent were selling 20 points and more above standard, and 3 per cent in salary plus commission.

The quota-bonus method, on the basis of this test, worked most effectively in the ready-to-wear departments. This fact may mean that those below standard are more often automatically eliminated. In other respects the facts seem to be that all stores are adjusting more or less by net sales, whether they are using a straight salary or other methods and that all have about the same facts upon which to judge performance.

On the question of length of service, one can state unmistakably that the salary stores in the study retain most long-service employees. In straight salary stores, 22 per cent of the hosiery sales clerks and 21 per cent of the ready-to-

wear had ten years of service and over. About 30 per cent in hosiery and 27 per cent in ready-to-wear had five or more years of service. In the groups with length of service of less than one year there were only 30 per cent in hosiery and 26 per cent in ready-to-wear.

Salary plus commission stores had 61 per cent of sales clerks in hosiery departments with less than one year's service, 4 per cent with 10 years and over and 10 per cent with five or more years. The ready-to-wear departments have more long-service employees than hosiery, i.e., about 8 per cent with more than 10 years' service, 17 with five and over, and 47 per cent with less than one year.

Quota-bonus stores had about 10 per cent with 10 years' service and over in both departments and 24 per cent with five years in both departments. About one-third had service of less than one year. Salary stores outrank others both in having a higher proportion of long-service employees and a lower proportion of short service.

Comparisons Between Stores

The objective data of this study are confined to four departments. The analyses of these departments show many special problems. Even firms which operate with substantially the same method of payment have different sales results. Consequently general statements, even in summary, are of less value than a contrast between the results achieved in a few typical stores.

It is unnecessary to summarize all the special adjustments set forth in Chapters VI to XIV of the text, in which the selling in hosiery, ready-to-wear, men's clothing, and house furnishings is shown for each store. It is important to point out that there are departments which present problems of compensation not found in any one of the four selected for intensive study. It is also essential to recognize that the problem of wage administration is even more important than the plan of payment.

The intensive study gives firms an opportunity to compare

their experience with that of a group of representative stores. There is a chart for each department which shows: (1) how much each store is paying to sales clerks; (2) how much sales clerks are selling in return for the payment; (3) what the typical selling costs are; (4) how many firms are below these costs and how far below, how many are above and how far above.

The typical selling costs shown in the stores studied are 4.3 per cent in hosiery, 4.4 per cent in ready-to-wear, and 5.1 per cent in men's clothing. Chart I for hosiery shows eight firms with weekly earnings of less than $18.00 and net sales varying from $244 to $520. The average sales per employee for this group of departments were $383. The central part of the chart shows 11 departments with earnings of $18.00 to $21.00 per week varying in sales from $253 to $629, with average sales of $435 per employee. The ten firms with highest weekly earnings range from $21.00 to $27.80. This group has average weekly sales of $587 per employee, varying between stores from $414 to $879.

Chart XVI for women's ready-to-wear apparel shows a variation in weekly earnings between 31 stores of $19.00 to nearly $36.00. These are distributed as:

(1) 11 departments paying $19.83 to $22.53 with average weekly sales of $466 varying from $359 to $529;

(2) 9 departments with earnings of $23.70 to $26.30 varying in sales from $472 to $709; the group averaged $566;

(3) 11 departments with earnings of more than $27.00. This group differs in individual weekly net sales from $607 to $860. The average for the 11 stores is $725.

These ready-to-wear departments vary in selling cost as well as in earnings and net sales. Eight of the 11 low-wage departments have selling costs of more than 4.4 per cent, namely a higher selling cost than is typical of the 31 ready-

to-wear departments. In the intermediate group in earnings and sales four departments are above 4.4 per cent, two at 4.4 and three below. The third group, highest in both earnings and sales, has only three departments with selling costs above 4.4 per cent. This makes clear a fact, stressed throughout the study, that the firms with low costs tend to be those in the upper part of the wage scale.

The selling costs in hosiery departments do not vary quite as uniformly with earnings as in the ready-to-wear units, since there are four high-cost departments in the upper wage group, but the tendency is the same.

In the men's clothing departments shown on Chart XXXV one-half have weekly earnings of $29.46 to $37.49 and net sales of $515 to $775, or an average for the group of stores paying less than $38.00 of $673 weekly net sales per employee. The men's clothing departments with earnings of $40.91 to $61.10 show individual sales higher than the lower wage units by as much as $326 per week. Many of the men's clothing departments are operated on a straight commission basis of payment, with earnings related directly to sales. Seven of the 18 departments studied have selling costs above 5.1 per cent, four of the lower wage units and three of the upper.

This summary makes clear the wide variations between stores both in earnings and sales attainment. The study aims to show the number of transactions, size of sale, and other variables which accompany these differences.

The type of chart used in the study to present the comparison of departments was developed to make it easier to relate the three variables of earnings, net sales, and selling costs. It could be used within stores to make comparisons between departments, or for purposes of salary review to compare the work of individual sales clerks within the same department. In the case of straight commission forms of payment, for use within a department, the chart would have to be arranged on the basis of drawing accounts and a standard line used which would show the sales expected. The

chart would then show the sales attained in terms of the standard expected.

Effect of Size of Department

Some of the diversity in results between stores in the sale of similar merchandise is attributable to differences in the size of the various departments. The small departments have some disadvantage in selling costs as well as in volume. In hosiery departments the median selling costs for the twelve months ending September 1, 1929 were 4.7 per cent in small departments, 4.3 in medium sized, and 4.0 in large departments. In ready-to-wear departments, the median of small departments was 4.7, in medium sized 4.4, and 3.9 in large departments. In men's clothing departments, the selling costs are 5.5 in small departments and 4.7 and 4.9 per cent in the two larger groups.

There is not much difference in the weekly earnings paid to sales persons in small and medium sized departments either in hosiery, in ready-to-wear, or in men's clothing. In large hosiery departments employees earn $4.00 to $9.00 per week more than in small and medium sized units; in ready-to-wear departments about $5.00 per week more than in the smaller units; in men's clothing there is still more advantage in earnings in large departments, the difference being as much as $12.00 per week. Earnings in the men's clothing departments averaged $35.64 in small departments and $47.47 in large units.

There are also differences in individual net sales in departments differing in total annual volume. Weekly net sales for full-time clerks were $375 per week in small hosiery departments, $425 in medium-sized, and $550 in large departments. The small ready-to-wear departments averaged $492, the middle sized $538, and the large $744. The men's clothing departments show average net sales of $646 in small departments, $711 in medium sized, and $1043 in the large group.

No one can say that all the divergence shown in these

summary figures is purely the outcome of size. There are a few exceptional small departments with sales as high and selling costs as low as the best of the large ones; there are middle sized stores competing on the same plane in every respect with those of greater volume but the tendency is to find that small departments are operated with some disadvantage.

Effect of Size of Sales Check

Other factors useful in explaining the diversity in results between stores are the size of the unit sale and the average weekly number of transactions. The size of the sales check must be considered:

(1) in comparisons between departments;
(2) in seasonal changes within the year;
(3) in its effect upon the work of the individual employees within departments.

There are no great differences between stores in the unit sales in hosiery departments. The lowest average for any department in the study was $1.36, the highest $4.62. The number of customers served per employee week decreases, of course, as the size sale increases. In the departments with a sales check of less than $2.00 the selling wage bill for making each transaction was five to eight cents, except in one high-cost department. The number of weekly sales per employee in departments with a unit sale of less than $2.00 averaged 272 and the net sales $455. In departments with a sales check as large as $2.00 to $2.50 the number of customers was 237 and the net sales $525. There was no increase in average net sales per employee in the group of stores with a unit sale of $2.50 and more because the number of customers decreased more than proportionately to the increased size of transaction.

In the ready-to-wear departments there is a wide difference in the price level of merchandise in the group of participating stores. The average size of the sale varies from

$10.00 in one store to $56.00 in another. The sales clerks in these departments are selling from 16 to 54 customers. Yet strangely enough, some of the departments with a medium-priced sale are averaging no more customers than those with the largest sales. Because of the wide variation in the unit sale the firms are shown on Chart XVII and an indication made of the nine firms wholly out of line with others in number of customers served. In most stores with a sales check of about $20.00, each clerk serves six to eight customers a day, but there were four departments in which the average per sales clerk was as few as three a day throughout the whole year of the study. It is useless to summarize the figures by combining stores when three departments with about the same size of sales check average respectively 36, 29 and 17 customers per week. In the ready-to-wear departments there is none of our participating stores with a unit sale of less than $17.00 averaging as much as $700 per sales clerk and only one store as high as $600. There is not much difference in average net sales per employee in the group of stores with a unit sale of less than $17.00 and those of $17.00 to $28.00 except in three large stores. Those with a transaction of over $28.00 have higher average net sales with fewer customers.

In the men's clothing departments, the size of the unit sale was so related to both earnings and volume that it had to be made a basis of classification. The departments with an average sale of less than $25.00 had individual weekly net sales of less than $775 and earnings, with one exception, of less than $38.00.

The change in the size of the sales check within the year is of little significance in selling hosiery or in most of the house furnishings departments in the study. In ready-to-wear departments the size of the sale and the number of customers served differ in winter and summer months. The two cycles in business in ready-to-wear within the year mean something more than a change in the volume of business. Sales clerks are serving more customers to make the comparatively low

net sales of the summer months than in the fall when net sales are much higher and the number of customers served per sales clerk at least a third less. A similar seasonal change occurs in the sales of men's clothing. While the sales of the fall months are 20 to 30 per cent above the average of the year and those of the summer are 20 to 32 per cent below, the period of high fall sales does not mean that salesmen are coming in contact with more customers. In the group of large clothing departments salesmen served twelve per cent more customers in the peak of fall sales than their monthly average of the year; in June they served 56 per cent more. The size of the unit sale gradually decreases in men's clothing from March to June or July.

If the differences in the size of the sale existed merely between establishments they could be disregarded in considering wage setting in particular stores. Doubtless there is a tendency to equalize the differences in the size of the sales check in women's apparel and men's clothing within the same season if each sales person handles all prices of merchandise in the department. There is no equalization when employees are stationed in fixed positions as they are in house furnishings and hosiery.

The effect of the size of sales within the same department in hosiery units will serve to show the problem. In all stores a sales check of less than $1.50 results in lower earnings to the sales clerk, small net sales and a high cost to the store. The other sizes of sales do not work out in quite the same way. Let us illustrate by one large department

	Size of Unit Sale		
	$1.50 to $2.00	$2.00 to $2.50	$2.50 and Over
Average Weekly Earnings	$19.99	21.94	20.83
Average Weekly Net Sales	$678	714	550
Average Weekly Number of Transactions	403	328	202
Selling Cost Percentage	2.9	3.1	3.8

paying a flat one-half of one per cent with a considerable number of employees at each size of sale.

In this case the earnings of employees making sales of $2.00 to $2.50 are about $2.00 per week above the clerks selling $1.50 to $2.00. The difference in earnings is accentuated by paying on the basis of net sales but since the group making lower unit sales had to sell 75 customers a week more than the other group of clerks there would seem to be more effort involved in making the lower weekly total. The same situation is paralleled in almost any of the hosiery departments. The particular method of payment is not involved. A quota-bonus department averaging $665 in net sales of $1.50 to $2.00, averages 399 customers. In the same department unit sales of $2.50 yield $627 in net sales made to 233 customers.

The significance of these findings is that quotas and commissions cannot be set upon the average experience of the department if employees are stationed at fixed positions of varying opportunity and effort. The standard must take into account the size of the sale in the various positions or a weighting for number of transactions made.

There is no answer in wage payment alone to the fact that hosiery sales of less than $1.50 are high cost both to the employee and the store. This is one place where all stores could afford to educate the customer. Surely it is uneconomical to purchase a single pair of sheer hose. Yet most of the sales at this price level are one item sales.

These factors help to explain some of the spread in net sales between stores. Within each department there are still wider differences in the work of individuals than any found in the comparisons between. It is not unusual to find employees in the same department differing as much as $800 to $1000 per week in net sales. The range of variation in the same department has been shown by: (1) the extreme range of variation in earnings and net sales; (2) subdivision into three earnings groups within each department; (3) subdivision into three net sales or "efficiency" groups within

each department. The extreme range may be accidental in any department but there is a wide spread in both earnings and sales if the lowest 25 per cent of the employees and the highest 25 per cent are disregarded.

The range in net sales and earnings within individual stores is illustrated in Charts II, III, XVIII, and XIX. That the extreme limits are not typical of the majority of items in the departments is evidenced by the shaded areas representing the central fifty per cent which lies between the lower and upper quarter. In the chart of net sales in the hosiery departments the shaded areas represent ranges of from $37.00 to $543. In eighteen of the companies the difference in output within the central 50 per cent is from $100 to $300. The range in earnings shows a wider scatter varying from $1.42 to $8.00. In twelve stores the range is from $3.00 to $5.00.

The differences in earnings are even more extreme in the ready-to-wear departments. Ten stores vary more than $8.00 between their lower and upper quartiles. The remaining 21 differ from $2.60 to $8.00. The net sales, on the other hand, are more concentrated than in the hosiery departments. The entire range is from $52.00 to $448 with 14 stores ranging from $200 to $300.

The purpose of the division into earnings and efficiency thirds is to show the possibilities of improvement within the standard already being attained in each store. It would not be likely that any department could improve the work of the lowest third to the standard of one or two unusual employees; but it would seem feasible to attempt to raise to the level of the middle or upper third.

An attempt was made in the study to use the percentage of returns as an indication of employee rating and also as a test of wage plans. For both purposes the findings were negative. There was found to be a difference in the percentage of returns of individual sales clerks. But those with high returns were not uniformly either those with low sales or high sales. There is no evidence either that the individual employee making a high volume or that the store with a high average per employee is the one with high returns. If a store has a high percentage of returns none of its sales clerks will have low returns. On the other hand, if the whole department has a low average of returns none of its sales clerks will have extremely high rates. No difference was found in salary or commission or bonus methods of payment. Yet the rate of returns in many ready-to-wear departments is amazing. The cause in many cases must be laid to store policy. That the returns in some areas are more of a problem than in others goes directly back to the fact that stores are competing with each other in giving service.

On the question of how the various wage plans operate one is not justified in giving all the laurels to any one form of payment. The results under each plan are "spotty"; they show successful operation in one store and less effective results in another. The study indicates that stores will not get far by merely studying *forms* of payment. This study provides a scaffolding upon which should be built a study of places at which the various forms of payment break down within organizations.

Logically, one is puzzled by the basis upon which many of the stores start in their reward. If the basic salary is set at the market rate and takes into account the intangibles in the occupation, there would seem to be no reason for any of the systems rewarding for mediocre sales. A bonus is a reward for unusual achievement not a reward for mediocrity. There is no reason whatever why there should be any commission on sales which any clerk, competent to be kept in the department, could make in good seasons and bad seasons. That much, every employee should be expected to make if she is to be kept in the department. On the other hand, the sales clerk who achieves more than a mediocre performance should be rewarded for that attainment and her reward should be substantial, graduated, if possible, as the standard attained gets far above that of others.

The most fundamental suggestions which can be made in connection with the present systems of wage payment are:

(1) that before attempting to set quotas, the store be considered as a whole instead of as a series of separate departments;
(2) that account be taken of differences in seasonal activity and a plan of interchange of employees for various periods be clearly worked out in advance before any attempt is made to set quotas;
(3) that the size of the sales check be used as a means for determining upon a basis for setting quotas within departments instead of the past experience of the whole department;
(4) that in selecting periods in which good and bad months balance, account be taken of the number of transactions as well as the volume of sales.

General Factors which Influence the Form of Payment

There are other factors than the situation within companies which influence the form of wage payment. Any general policy concerning the method of wage payment which is likely to be used in a given department or in a store has deeper roots than many store managers are considering. It was pointed out in describing methods of wage payment that there was a tendency for large stores in the same locality to follow a similar plan of payment. It was shown that the salary plus commission plan was found in eastern cities. Boston, New York, Philadelphia, Baltimore, and Washington have a weighting of the same systems. This is not all a question of imitation. If local stores use the same form of payment, employment explanations are simplified. It is easier to tell whether an experienced clerk is being offered as much as she has been regularly earning in her past employment. It is, besides, easier for the personnel office to know what is being paid for similar work, if it depends as it

usually does, upon indirect information to get an idea of the current rates of wages. These are practical considerations but they are not in themselves good reasons for favoring one method or another. If a policy of adherence to *what is* were accepted there would be no experimenting with new methods nor alteration of old ones.

The adoption of different methods in some departments is in part also an aspect of local conditions. The use of straight commission in furniture, rug, and men's clothing departments, in which the form of payment usually does not follow the one generally prevailing in the store, is influenced by the fact that the department stores are in competition with those dealing exclusively in these articles and that the standard for the specialized salesman's opportunities is not wholly set up within the department store. The influence of the surroundings will depend upon whether the specialty stores or the department stores lead in the sales in the area. In women's ready-to-wear, the specialty shop must follow because of the greater range of choice open in the department store; in other cases, the department store follows and its salary scales and methods of compensation are not of its own making unless it can offer an unusual selling opportunity or the same sales incentive as the surrounding specialty shops offer. The local background, including the employment setting, must be considered in wage payment.

Another general influence has some use in arriving at a basis for method of payment. It concerns the discussion of straight salary as opposed to the use of systems in which earnings are related to sales. The store which pays straight salary, when those surrounding it base their payment upon sales, is confronted with the possibility of losing its experienced clerks in the busiest periods when high earnings can be made in commission stores.

Only if one had a group of stores in the same city would it be possible to know the amount of turnover likely to occur just before busy periods in different forms of compensation. A hint of the effect, even in our distributed in-

clusion of stores, is shown by noting the turnover in different months in ready-to-wear departments. The best business of the year in this department is done in three fall months, beginning in October. Yet salary stores lose more employees in September, with three active months just ahead, than in any other month even if the reductions in December be included. The monthly comparison with other forms of payment for ready-to-wear departments is interesting enough to be cited.

PROPORTION OF ANNUAL SEPARATIONS OCCURRING IN EACH MONTH

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Straight Salary.....	16.0	7.1	7.1	13.5	5.1	5.1	6.4	10.9	10.2	9.0	9.6
Salary Plus Commission	8.4	5.9	9.6	6.2	6.5	7.0	9.5	10.1	10.7	14.3	11.8
Quota-Bonus.....	11.5	6.3	6.0	9.1	8.4	6.7	7.7	10.5	8.0	10.1	15.7

The interest of these figures of separations is not in the amount of turnover, which was not especially high in the salary stores, but in the time at which the turnover takes place. The fact that 16 per cent of the separations of the year come in the month of September when salary plus commission stores had but 8 per cent of their separations, and bonus stores 11 per cent, is an indication of some outside market influences. Commission and bonus stores had their highest turnover after the busy season; salary stores had theirs just before. There is little difference in the proportion of separations in other months. All stores have a high turnover in the dull summer months. The evidence of this study is not conclusive in showing the effect of wage payment upon turnover in a locality but there is a hint that the payment of commissions does draw employees away from the salary stores in busy periods.

Another general consideration in wage payment is concerned with the difference in the way in which the various sales systems operate in a rising and falling price market. For an answer to the inquiry about the success of various wage systems, a study should be pursued over a long period,

at least in both the up and down swings of an industrial cycle. Few of the so-called bonus systems have a very long background, even within the same store. It is notable that most of those reported on our questionnaire have been in use, without fundamental changes, since 1922 or later, many of them for a very short period. Three-fourths of all quota methods reported have been installed since 1921 and one-half since 1924. Most have never been subjected to the strain of a severe depression. How they will stand the test depends upon the degree of restraint which has been used in raising drawing accounts to the full extent of the improvement in sales.

This study, in which an attempt is made to show how the systems operate, has only the experience of one year to aid in evaluation. Besides, it was a year of active business. It was a good year in retail selling, marked only by normal seasonal irregularity. Though we have no other year for comparison, it is fair to infer that wages during the period of the study must have been somewhere near to the maximum post-war level. There is little in the weekly earnings to give anyone concern over the standard of wages prevailing in most of the departments in the participating stores. From the study of this year we can only indirectly infer the possible effect of a poor year. Judging from the basic salaries paid by the commission and bonus stores, the systems give a fairly good account of themselves. Judging from the differences between stores and from the fluctuation in earnings within the year, there is room for a great deal of standardization.

APPENDIX

TABLE 1

Rates of Commission Paid in the Piece Goods Division

	Department	No. of Depts.	No. of Depts. paying St. Sal.	No. of Depts. paying Salary plus Commission on all sales — Percentage of Commission						No. of Depts. paying Straight Commission — Percentage of Commission								Leased	Special Plan	Quota Bonus
				½	¾	1	2	3	Variable	3½	3.8	4.0	4.5	4.5 & 6.0	5.0	5.5	6.0	8.0		
	60 Stores paying Straight Salary																			
11	Silks and Velvets	57	53								1	1			1					1
12	Woolen Dress Goods	56	53									1			1					1
13	Cotton Wash Goods	57	56									1								
14	Linens	57	56									1								
15	Domestic Muslins, Sheeting	56	56																	
16	Patterns	57	56																1	
17	Linings	56	55									1								
18	Blankets and Comfortables, Bedding	57	56									1								
	43 Stores paying Salary plus Commission																			
11	Silks and Velvets	35	1	17	1	14	1		1											
12	Woolen Dress Goods	35	1	17	1	14	1		1											
13	Cotton Wash Goods	35	2	17	1	13	1		1											
14	Linens	35	2	16	1	13	1		1											1
15	Domestic Muslins, Sheeting	35	1	16	1	14	1		1											1
16	Patterns	33	2	14	1	10	2		1										3	
17	Linings	33	2	15	1	13	1		1											
18	Blankets and Comfortables, Bedding	35	1	16	1	14	1	1	1											
	22 Stores paying Quota-Bonus																			
11	Silks and Velvets	19		1								1			2					15
12	Woolen Dress Goods	18		1								1			1					15
13	Cotton Wash Goods	18		1									1							16
14	Linens	18		1											1					16
15	Domestic Muslins, Sheeting	18		1									1							16
16	Patterns	14	5																2	7
17	Linings	17		1											1					15
18	Blankets and Comfortables, Bedding	18		1									1							16
	5 Stores paying Straight Commission																			
11	Silks and Velvets	4								1		1	1				1			
12	Woolen Dress Goods	4										1	1		1		1			
13	Cotton Wash Goods	4												1	1	1	1			
14	Linens	4											1		1	1	1			
15	Domestic Muslins, Sheeting	3										1				1	1			
16	Patterns	4	3															1		
17	Linings	3	1													1	1			
18	Blankets and Comfortables, Bedding	3													1	1	1			
	15 Stores paying by Special Plan or by Two or More Plans																			
11	Silks and Velvets	15	1	1											2				9	2
12	Woolen Dress Goods	15	1	1											3				9	1
13	Cotton Wash Goods	15	1	2											1		1		9	1
14	Linens	15	1	2											2				9	1
15	Domestic Muslins, Sheeting	15	1	2											2				9	1
16	Patterns	14	3	1		1	1												8	
17	Linings	15	1	1											2		1		9	1
18	Blankets and Comfortables, Bedding	15	1	2											2				9	1

TABLE 2

Rates of Commission Paid in the Small Wares Division

Department	No. of Depts.	No. of Depts. paying St. Sal.	No. of Depts. paying Salary plus Commission on all sales — Percentage of Commission							No. of Depts. paying Straight Commission — Percentage of Commission								Leased	Special Plan	Quota Bonus
			½	¾	1	1½	2	3	Variable	4	5	5⅗	6	7	7½	8	10			
60 Straight Salary Stores																				
21 Trimmings	57	57																		
22 Ribbons	57	57																		
23 Notions	57	56			1															
24 Toilet Articles	56	56																		
25S Silverware	56	56																		
25J Jewelry	58	58																		
26 Umbrellas	58	58																		
27 Art Goods	55	53	1										1							
28S Stationery	57	56			1															
28B Books	51	50			1															
43 Salary and Commission on all sales Stores																				
21 Trimmings	35	2	17		12		3		1											
22 Ribbons	35	1	17		12		4		1											
23 Notions	35	2	17		11	1	3		1											
24 Toilet Articles	40	1	20		10	3	3		1											
25S Silverware	33	2	14		14		1	1	1									1	1	
25J Jewelry	42	3	19		16		2	1	1											
26 Umbrellas	40	4	17	1	15		1		1									1		
27 Art Goods	34	3	15		13		2		1											
28S Stationery	35	2	16		14		2		1											
28B Books	27	1	12	1	9		2		1									1		
22 Quota Bonus Stores																				
21 Trimmings	19													1						18
22 Ribbons	18	1	1																	16
23 Notions	18																			18
24 Toilet Articles	21	1																1		19
25S Silverware	16																			16
25J Jewelry	20																			20
26 Umbrellas	18	1																1		16
27 Art Goods	17																			17
28S Stationery	18																	2		16
28B Books	14	1																2		11
5 Straight Commission Stores																				
21 Trimmings	4	1									1		1				1			
22 Ribbons	4	1												1	1	1	1			
23 Notions	4													2		1	1			
24 Toilet Articles	4									1	1	1		1						
25S Silverware	4											1	1			1				
25J Jewelry	4										1	2		1		1				
26 Umbrellas	4												2	1		1				
27 Art Goods	4	1												3						
28S Stationery	4												1	1						
28B Books	3	1											1							
15 Special Plan and two or more plans Stores																				
21 Trimmings	15	1	3		1								1						9	
22 Ribbons	15	1	3		1								1						9	
23 Notions	15	1	1		2								1						9	
24 Toilet Articles	15	1	1		1						1								10	1
25S Silverware	12	1	1		2														7	1
25J Jewelry	15	1	2		2														9	1
26 Umbrellas	14	1	3		2														8	1
27 Art Goods	15	1	3		2														9	
28S Stationery	15	1	2		3														9	
28B Books	10		1															1	8	

TABLE 3

Rates of Commission Paid in the Women's Accessories Division

	Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission								No. of Depts. Paying Straight Commission — Percentage of Commission													Leased	Special Plan	Quota Bonus
				½	¾	1	2	3	4	Variable	1 & 2	2½	4	4½	5	5½	6	6½	7	8	3½–4½	6¼	6 & 4½			
	60 Straight Salary Stores																										
31	Neckwear	59	59						1																		
32	Flowers—Artificial	58	57																								
33	Handkerchiefs	58	58																								
34	Millinery	53	40	1		1		1	1								1								7	1	
35	Gloves	59	59																								
36	Corsets	57	56	1																							
37	Hosiery	60	58			2																					
38	Knit Underwear	58	56			1		1																			
39	Silk and Muslin Underwear	58	56	1				1																			
41	Petticoats	59	56	1		1		1																			
42	Negligees	58	54	1		1		2																			
43	Infants' Wear	57	55	1													1										
46	Small Leather Goods	57	57																								
47	Women's Shoes	53	39			2									2			1	3	1					2	1	2
48	Children's Shoes	47	38			1									2			1	1	1					1		2
	43 Salary Plus Commission on All Sales Stores																										
31	Neckwear	40	2	18		16	3			1															1	2	
32	Flowers—Artificial	37	1	19		14	2			1																	
33	Handkerchiefs	40	2	19		16	2			1																	
34	Millinery	42	2	16		16	3			1					1										1	2	
35	Gloves	41	3	18	1	15	3			1																1	
36	Corsets	41	1	18		17	2			1	1																
37	Hosiery	42	2	19	1	17	2			1																	
38	Knit Underwear	42	2	20		17	2			1																	
39	Silk and Muslin Underwear	42	1	20	1	17	2			1																	
41	Petticoats	39	2	18	1	14	2			1						1											
42	Negligees	42	2	19	1	16	2			1						1										1	
43	Infants' Wear	40	2	18		16	2			1																1	
46	Small Leather Goods	41	2	19		16	2			1																	
47	Women's Shoes	38	4	11		11	5	1		1								1	1	1			1		2		
48	Children's Shoes	35	3	10		10	5			1							1	1	1						2	1	
	22 Quota Bonus Stores																										20
31	Neckwear	20																									18
32	Flowers—Artificial	18																									19
33	Handkerchiefs	19																							3		12
34	Millinery	16	1																								21
35	Gloves	21																									20
36	Corsets	20																									21
37	Hosiery	22	1																								17
38	Knit Underwear	18													1												18
39	Silk and Muslin Underwear	20													2												16
41	Petticoats	18													2												18
42	Negligees	20													2												18
43	Infants' Wear	20													2												20
46	Small Leather Goods	20																							3		10
47	Women's Shoes	19	1	1											1		3								3		9
48	Children's Shoes	17		1											1		3								3		
	5 Straight Commission Stores																										
31	Neckwear	5													1	1	1		2								
32	Flowers—Artificial	4	1												1		1		1					1			
33	Handkerchiefs	5													1		1		2								
34	Millinery	5															2		2	1							
35	Gloves	5													2		1		2								
36	Corsets	4													1	2	1										
37	Hosiery	5										1		1	1		1					1					
38	Knit Underwear	4												1	2	1											
39	Silk and Muslin Underwear	5												1	2	1	1										
41	Petticoats	4											1		2	1											
42	Negligees	5											1	1	1	1	1										
43	Infants' Wear	4												1	1		2										
46	Small Leather Goods	5													2	1	1			1							
47	Women's Shoes	4															2		1	1							
48	Children's Shoes	4															1		2	1							
	15 Special Plan and Two or More Plans Stores																									9	
31	Neckwear	15	1	3		2																				7	
32	Flowers—Artificial	13	1	3		2																				9	1
33	Handkerchiefs	15	1	2		2									1										2	8	1
34	Millinery	14		2																						9	1
35	Gloves	15	1	2		2									1											9	1
36	Corsets	15	1	1		2									1											9	1
37	Hosiery	15		2		1							1		1											9	1
38	Knit Underwear	14	1	2											1											9	1
39	Silk and Muslin Underwear	15	1	2										1	1											9	1
41	Petticoats	14	1	2											1											9	1
42	Negligees	15	1	2										1	1											9	1
43	Infants' Wear	15	1	2		1									1											9	1
46	Small Leather Goods	15	1	2		2																			1	10	1
47	Women's Shoes	15													1		1	1	1							9	2
48	Children's Shoes	14													1		1										

TABLE 4

Rates of Commission Paid in the Women's Ready-to-Wear Division

Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission					No. of Depts. Paying Straight Commission — Percentage of Commission										Leased	Special Plan	Quota-Bonus
			½	1	2	3	Variable	2½	3	3½	3¾	4	4½	5	5½	6	Unknown			
60 Stores Paying Straight Salary																				
51 Women's Coats	60	37	1	2	1	3	1			2		6		1					4	2
52 Women's Suits	60	37	1	3	1	3	1			1		6		1					4	2
53 Women's Dresses	60	37	1	3	1	3	1			1		5	1	1					4	2
53P Popular Priced Dresses	52	38	1	3		2						4	1	1					1	1
54 Blouses and Skirts	59	48	1	1		2						2		3					1	1
55C Misses' Coats and Suits	59	41	1	4		2	1			1		4		1					3	1
55D Misses' Dresses	59	41	1	4		2	1			1		3	1	1					3	1
55J Juniors' and Girls Wear	57	47	1	3		1				1		1		2						1
56 Sports Wear	56	49	1	1		2						1		2						
57D Aprons and House Dresses	58	54		1		2								2						
57U Maids' and Nurses Uniforms	56	53		1		1								1						
59 Furs	57	42	1	2	1	1	1		2	1		2		1				1	1	1
43 Stores Paying Salary and Commission on All Sales																				
51 Women's Coats	42	1	19	15	4		1	1											1	
52 Women's Suits	42	1	20	15	4		1			1										
53 Women's Dresses	42	1	18	15	4		1			1		1							1	
53P Popular Priced Dresses	37	2	15	13	4		1				1	1								
54 Blouses and Skirts	41	1	20	16	2		1								1					
55C Misses' Coats and Suits	42	1	19	15	4		1	1											1	
55D Misses' Dresses	42	1	18	15	4		1			1		1							1	
55J Juniors' and Girls Wear	41	1	21	16	2		1													
56 Sports Wear	42	2	17	19	2		1								1					
57D Aprons and House Dresses	39	2	20	13	2		1								1					
57U Maids' and Nurses Uniforms	39	2	20	13	2		1								1					
59 Furs	39	1	20	13	3		1										1			
22 Stores Paying Quota Bonus																				
51 Women's Coats	20									1		1								18
52 Women's Suits	19									1		1								17
53 Women's Dresses	20											1								19
53P Popular Priced Dresses	16			1								1								14
54 Blouses and Skirts	18									1		1								17
55C Misses' Coats and Suits	17											1								15
55D Misses' Dresses	18									1		1								17
55J Juniors' and Girls Wear	19											1		1						17
56 Sports Wear	19											1								18
57D Aprons and House Dresses	19	1												1						17
57U Maids' and Nurses Uniforms	19	1												1						17
59 Furs	17		1									1						1		14
5 Stores Paying Straight Commission																				
51 Women's Coats	5											3	1	1						
52 Women's Suits	5											2	2	1						
53 Women's Dress	5											2	2	1						
53P Popular Priced Dresses	4											1	2	1						
54 Blouses and Skirts	5												1	2		2				
55C Misses' Coats and Suits	4											2	2							
55D Misses' Dresses	4											1	3							
55J Juniors' and Girls Wear	4											2	1		1					
56 Sports Wear	4													2		2				
57D Aprons and House Dresses	4												2	1	1					
57U Maids' and Nurses Uniforms	3												1	1	1					
59 Furs	4	1										2	1							
15 Stores Paying by Special Plan or by two or more plans																				
51 Women's Coats	15		1									2							9	3
52 Women's Suits	15		1									2							9	3
53 Women's Dresses	15		1									2							9	3
53P Popular Priced Dresses	14		1									2							9	2
54 Blouses and Skirts	15		2	1								1							9	3
55C Misses' Coats and Suits	15		1									2							8	3
55D Misses' Dresses	15		2									2							9	3
55J Juniors' and Girls Wear	15		1	1								2							9	3
56 Sports Wear	15	1	1									2							9	2
57D Aprons and House Dresses	15	1	2	1															9	2
57U Maids' and Nurses Uniforms	15	1	2	1															9	2
59 Furs	13		2	1					1										9	3

TABLE 5

RATES OF COMMISSION PAID IN THE MEN'S CLOTHING DIVISION

Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission						No. of Depts. Paying Straight Commission — Percentage of Commission										Leased	Special Plan	Quota-Bonus
			½	1	2	3	1 or 2	1, 2, 3 or 5	3	3½	4	4½	5	5½	6	7	8	4–5	4–6	Unknown			
60 Stores paying Straight Salary																							
61 Men's Clothing	44	28				1				1	1	1	8							1		2	1
62 Men's Furnishings	54	51																					1
65 Men's Hats & Caps	40	37		1												2							
66 Boys' Wear	48	42	1	1							1		2		1	2							
67 Men's & Boys' Shoes	39	38										1											
43 Stores paying Salary and Commission																							
61 Men's Clothing	31		5	8	2		1	1			4	1	3	1		1		1				3	
62 Men's Furnishings	36	1	17	14	2		1							1									
65 Men's Hats & Caps	30	1	15	10	1		1				1		1									1	
66 Boys' Wear	34		15	14	1		1				1				1	1						1	
67 Men's & Boys' Shoes	33	3	11	10	3		1				1	1								1			
22 Stores paying Quota-Bonus																							
61 Men's Clothing	13	1										3								1			8
62 Men's Furnishings	19	1									1												17
65 Men's Hats & Caps	13	1												1						1			10
66 Boys' Wear	17											1		1						1			14
67 Men's & Boys' Shoes	11													2	1					1			7
5 Stores paying Straight Commission																							
61 Men's Clothing	4							1				2		1									
62 Men's Furnishings	4												1	2		1							
65 Men's Hats & Caps	4													3		1							
66 Boys' Wear	4										1	2				1							
67 Men's & Boys' Shoes	3													2		1							
15 Stores paying by Special Plan or by Two or More Plans																							
61 Men's Clothing	14	1								1	1	2		1				1				6	1
62 Men's Furnishings	15											2	1	1					1			9	1
65 Men's Hats & Caps	14	1		1								1	1	1								8	1
66 Boys' Wear	14	1		1							1	2		1								7	1
67 Men's & Boys' Shoes	11											1		1								7	2

TABLE 6

Rates of Commission Paid in the House Furnishings Division

	Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission									No. of Depts. Paying Straight Commission — Percentage of Commission																		Leased	Special Plan	Quota Bonus
				½	1	1½	2	2½	3	½–2	1 or 2	¾	4 or 5	3	3½	4	4½	5	5½	6	7	7½	8	10	12½	14	4 or 5	3–4	5 or 6	6 or 7	10 & 15	Unknown			
	60 Stores paying Straight Salary																																	
71	Furniture	45	26											2	1	9		4									1	1				1		1	1
72	Oriental Rugs	43	31		1				1					1		4		2														1		1	2
73	Domestic Floor Coverings	53	37		1		1							1	1	5		3											1			1			
74	Draperies, Curtains, Upholstery	56	52											1		1		2																	
75	Lamps and Shades	55	52															2											1			1			
76	China and Glassware	54	52		1																1														
77	Electrical Household Appliances	46	40		1																			3								1			
78	Miscellaneous House Furnishings	53	52		1															1															
79	Gift Shop	54	52	1																												1			
81	Pictures, Framing, Mirrors	44	43																	1	1			1							1	2	1		
82	Pianos	24	17																		1			1											
83	Musical Instruments and Sheet Music	24	22											1				1			1		1	5						1	2	1	1	1
84	Radios	36	19		1		1														1			4						1				
85	Talking Machines and Records	28	20		1		1														1														
	43 Stores paying Salary and Commission on All Sales																																	
71	Furniture	34	2	5	10		3		1		1				2	7		3									1				1		2	
72	Oriental Rugs	29	2	6	8		2		1						1	4	1	3													1			
73	Domestic Floor Coverings	34	1	6	11		2		1						1	8	1	2															1	
74	Draperies, Curtains, Upholstery	36	1	15	14		2		1		1	1				1																	1	
75	Lamps and Shades	37		17	14		2		1		1																							
76	China and Glassware	33	1	15	13		1		1		1	1				1														1	1	1	1	
77	Electrical Household Appliances	32	1	11	11		1		1		1	1																						
78	Miscellaneous House Furnishings	32	1	14	13		1		1		1	1																						
79	Gift Shop	35	1	18	14		1				1																					1		
81	Pictures, Framing, Mirrors	32	1	15	12		1		1		1																					1		
82	Pianos	18		5	8		1	1			1																					1		
83	Musical Instruments and Sheet Music	22	1	7	9		2				1																					2		
84	Radios	32		10	9	1	1		1		1					2		2														1		
85	Talking Machines and Records	26		11	9		1				1							2														1		
	22 Stores paying Quota-Bonus																																	
71	Furniture	15													1		1	1														1		11
72	Oriental Rugs	11													1			1														1		8
73	Domestic Floor Coverings	16													1			2														1		12
74	Draperies, Curtains, Upholstery	17															1	1		1														14
75	Lamps and Shades	16	1														1	1														1		13
76	China and Glassware	16																1														1		14
77	Electrical Household Appliances	13																1														1		12
78	Miscellaneous House Furnishings	15																1														1		13
79	Gift Shop	15	1																															13
81	Pictures, Framing, Mirrors	9																														1		9
82	Pianos	4																														1		3
83	Musical Instruments and Sheet Music	5												1				1						2	1							1		4
84	Radios	12			1															1												1		5
85	Talking Machines and Records	9			1																											1		6
	5 Stores paying Straight Commission																																	
71	Furniture	4														1	1	1	1															
72	Oriental Rugs	4																3	1															
73	Domestic Floor Coverings	4																3	1															
74	Draperies, Curtains, Upholstery	4																2	1	1														
75	Lamps and Shades	4																2	1		1													
76	China and Glassware	4																3	1		1													
77	Electrical Household Appliances	4																2			1													
78	Miscellaneous House Furnishings	3																2		1		1												
79	Gift Shop	4																1						1										
81	Pictures, Framing, Mirrors	2																				1												
82	Pianos	0																	1															
83	Musical Instruments and Sheet Music	1																		1														
84	Radios	2																		1		1												
85	Talking Machines and Records	2																																
	15 Stores paying by Special Plan or by Two or More Plans																																	
71	Furniture	12	1		1											1	1	1									1					1	6	1
72	Oriental Rugs	11	1													1		1									1						5	1
73	Domestic Floor Coverings	14	1		1											1	1	1															8	1
74	Draperies, Curtains, Upholstery	15	1		1													2	1														8	2
75	Lamps and Shades	15	1	1	1													2															8	2
76	China and Glassware	12	1																														8	3
77	Electrical Household Appliances	11	2	1	1																												6	1
78	Miscellaneous House Furnishings	12	1	2																													8	1
79	Gift Shop	12	1	2	2					1																		1					6	
81	Pictures, Framing, Mirrors	11	1	1	1																												6	1
82	Pianos	5											1																				4	
83	Musical Instruments and Sheet Music	0			1													1			1			1									4	
84	Radios	12	1		1													1															6	1
85	Talking Machines and Records	10			2													1															6	1

TABLE 7

Rates of Commission Paid in the Miscellaneous Division

Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission						No. of Depts. Paying Straight Commission — Percentage of Commission								Leased	Special Plan	Quota-Bonus
			½	¾	1	2	3	Variable or Unknown	3½	5	5½	6	7	8	50	60	Unknown			
60 Stores paying Straight Salary																				
91 Toys	54	52	1							1										
92 Sporting Goods, Cameras	31	31																		
93 Luggage	55	54								1										
94 Tires & Automobile Accessories	31	29			1														1	
95 Restaurant, Fountain, Bakery	42	41																1		
96 Candy	45	45																		
98 Groceries and Meats	24	24																		
99 Beauty Shop—Barber Shop	38	21				1									3	1	1	10	1	
43 Stores paying Salary and Commission on All Sales																				
91 Toys	37	1	18	1	13	1		1		1										
92 Sporting Goods, Cameras	28		12		11	1		1		1	1								1	
93 Luggage	37	2	16		14	1	1	1		2								1		
94 Tires & Automobile Accessories	23		9		9	1	1	1		2										
95 Restaurant, Fountain, Bakery	26	11	5		5	1		2										2		
96 Candy	27	5	9		7	2	1	1										2		
98 Groceries and Meats	17	3	5		7	1		1												
99 Beauty Shop—Barber Shop	26	6	5		5	1		1		1								3	4	
22 Stores paying Quota-Bonus																				
91 Toys	15	1																		14
92 Sporting Goods, Cameras	11	1								1										8
93 Luggage	16									1		1								14
94 Tires & Automobile Accessories	8																			8
95 Restaurant, Fountain, Bakery	9	2																1		5
96 Candy	10																			8
98 Groceries and Meats	5																	2		5
99 Beauty Shop—Barber Shop	9																	2		8
																		1		4
																		5		2
5 Stores paying Straight Commission																				
91 Toys	4	1												2						
92 Sporting Goods, Cameras	2									1		1	1							
93 Luggage	4									1		1	1							
94 Tires & Automobile Accessories	0									1		2	1							
95 Restaurant, Fountain, Bakery	0																			
96 Candy	3	1											2							
98 Groceries and Meats	0																			
99 Beauty Shop—Barber Shop	2													1					1	
15 Stores paying by Special Plan or by Two or More Plans																				
91 Toys	14	2	2		2															
92 Sporting Goods, Cameras	10		2																8	
93 Luggage	14	1	2		1														7	1
94 Tires & Automobile Accessories	8	2	1		1														8	2
95 Restaurant, Fountain, Bakery	6	1																	4	
96 Candy	11	2			1														5	
98 Groceries and Meats	6	1																1	7	
99 Beauty Shop—Barber Shop	8								1									3	5	
																			4	

TABLE 8

Rates of Commission Paid in the Basement Store Division

Department	No. of Depts.	No. of Depts. Paying St. Sal.	No. of Depts. Paying Salary Plus Commission on All Sales — Percentage of Commission					No. of Depts. Paying Straight Commission — Percentage of Commission								Leased	Special Plan	Quota-Bonus
			½	1	2	3–4	Variable	3½	4	4½	4¾ & 5	5	5½	6	7	8			
60 Stores paying Straight Salary																			
110 Piece Goods	34	32			1														1
120 Small Wares	37	36																	1
130 Ready-to-Wear Accessories	39	37			1														1
150 Women's & Misses Ready-to-Wear	40	31	1	2	2			1										2	1
160 Men's & Boys' Wear	34	31			1									1					1
170 Home Furnishings	34	33																	1
190 Miscellaneous	36	34			1														1
43 Stores paying Salary and Commission on All Sales																			
110 Piece Goods	23		8	12	1		1								1				
120 Small Wares	25		9	13	1		1					1							
130 Ready-to-Wear Accessories	29		12	12	3		1					1							
150 Women's & Misses Ready-to-Wear	30		13	11	4		1					1							
160 Men's & Boys' Wear	29		10	12	2	1	1			1		1	1						
170 Home Furnishings	23		8	12	1		1					1							
190 Miscellaneous	25		9	12	2		1					1							
22 Stores paying Quota-Bonus																			
110 Piece Goods	9											1							8
120 Small Wares	9											1							8
130 Ready-to-Wear Accessories	12	1							1			1							9
150 Women's & Misses Ready-to-Wear	13			1				1	1			1							10
160 Men's & Boys' Wear	11											1							10
170 Home Furnishings	7																		7
190 Miscellaneous	5																		5
5 Stores paying Straight Commission																			
110 Piece Goods	4											3			1				
120 Small Wares	2											1				1			
130 Ready-to-Wear Accessories	2											2							
150 Women's & Misses Ready-to-Wear	4								1			3							
160 Men's & Boys' Wear	4											3			1				
170 Home Furnishings	2											1			1				
190 Miscellaneous	1											1							
15 Stores paying by Special Plan or by Two or More Plans																			
110 Piece Goods	9		1									1					5		2
120 Small Wares	7		1									1					5		
130 Ready-to-Wear Accessories	8								1			1					4		2
150 Women's & Misses Ready-to-Wear	8								1								4		3
160 Men's & Boys' Wear	8										1	2					6		1
170 Home Furnishings	9		1									1					5		2
190 Miscellaneous	7		1																

TABLE 9

METHODS OF PAY AND RATES OF COMMISSION IN EACH DEPARTMENT IN SIX STORES PAYING BY TWO OR MORE PLANS

Stores Paying by Two or More Plans	AA	AB	AC	AD	AE	AF
Piece Goods						
11 Silks and Velvets	5–5 & 3	5–5	–3	5 S. C.	S.+½	S.
12 Woolen Dress Goods	5–5	5–5	–3	5 S. C.	S.+½	S.
13 Cotton Wash Goods	5–5	6–6	–3	S.+½	S.+½	S.
14 Linens	5–5	5–5	–3	S.+½	S.+½	S.
15 Domestics	5–5	5–5	–3	S.+½	S.+½	S.
16 Patterns	.....	S.+½	S. S.	S.+2	S.+½	S.
17 Linings	5–5	6–6	–3	5 S. C.	S.+½	S.
18 Bedding	5 S. C.	5–5	–3	S.+½	S.+½	S.
Small Wares						
21 Laces, Trimmings	6–6	S.+1	S.+½	S.+½	S.+½	S.
22 Ribbons	6–6	S.+1	S.+¼	S.+½	S.+½	S.
23 Notions	6–6	S.+1	–3	S.+1	S.+½	S.
24 Toilet Articles and Drugs	5–5	S.+1	–3	S.+½	S.+1% over $700	S.
25S Silverware	S.+1	S.+1	–3	.....	S.+½	S.
25J Jewelry	S.+1	S.+1	–3	S.+½	S.+½	S.
26 Umbrellas	S.+1	S.+1	S.+½	S.+½	S.+½	S.
27 Art Needlework and Art Goods	S.+1	S.+1	S.+½	S.+½	S.+½	S.
28S Stationery	S.+1	S.+1	S.+1	S.+½	S.+½	S.
28B Books and Magazines	.....	L.	.....	.....	S.+½	.....
Ready-to-Wear Accessories						
31 Neckwear and Scarfs	S.+1	S.+1	S.+½	S.+½	S.+½	S.
32 Artificial Flowers	S.+1	S.+1	S.+¼	S.+½	S.+½	S.
33 Handkerchiefs	S.+1	S.+1	–3	S.+½	S.+½	S.
34 Millinery	5 S. C.	L.	–3	2% over 7% cost	S.+½	L.
35 Gloves	S.+1	S.+1	–3	S.+½	S.+½	S.
36 Corsets and Brassieres	5–5	S.+1	–3	S.+1	S.+½	S.
37 Hosiery	5–5	S.+1	–3	S.+½	S.+½	4 S. C.
38 Knit Underwear	5–5	.....	–3	S.+½	S.+½	S.
39 Silk and Muslin Underwear	5–5	4½–4½	–3	S.+½	S.+½	S.
41 Petticoats and Slips	5–5	.....	–3	S.+½	S.+½	S.
42 Negligees and Robes	5–5	4½–4½	–3	S.+½	S.+½	S.
43 Infants' Wear	5–5	S.+1	–3	S.+½	S.+½	S.
46 Small Leather Goods	S.+1	S.+1	–3	S.+½	S.+½	S.
47 Women's Shoes	5 S. C.	L.	L. 4	6 S. C.	6–4	6½ S. C.
48 Children's Shoes	5 S. C.	.....	4	6 S. C.	6–4	6½ S. C.
Women's and Misses Ready-to-Wear						
51 Women's Coats	5–3	4–4	–3	4 S. C.	S.+½	4–3
52 Women's Suits	5–3	4–4	–3	4 S. C.	S.+½	4–3
53 Women's Dresses	5–3	4–4	–3	4 S. C.	S.+½	4–3
53P Popular Priced Dresses	5–3	4–4	–3	4 S. C.	S.+½	.....
54 Blouses and Skirts	5–3	S.+1	–3	4 S. C.	S.+½	4–3
55C Misses' Coats and Suits	5–3	4–4	–3	4 S. C.	S.+½	4–3
55D Misses' Dresses	5–3	4–4	–3	4 S. C.	S.+½	4–3
55J Juniors' Wear	5–3	S.+1	–3	4 S. C.	S.+½	4–3
56 Sports Wear	5–3	4–4	–3	4 S. C.	S.+½	S.
57D Aprons and House Dresses	5–3	S.+1	–3	S.+½	S.+½	S.
57U Maids' and Nurses' Uniforms	5–3	S.+1	–3	S.+½	S.+½	S.
59 Furs	5–3	S.+1	–2	3 S. C.	S.+½	4–3
Men's and Boys' Wear						
61 Men's Clothing	5 S. C.	4–4	–4	5 S. C.	4½ S. C.	6 S. C.
62 Men's Furnishings	5 S. C.	5½–5½	–3	5 S. C.	4, 5 & 6 S. C.	6 S. C.
65 Men's Hats and Caps	5 S. C.	S.+1	–3	5½ S. C.	6 S. C.	.....
66 Boys' Wear	5 S. C.	S.+1	–4	5 S. C.	4½ S. C.	6 S. C.
67 Men's and Boys' Shoes	5	.....		6 S. C.	6–4	.....
Home Furnishings						
71 Furniture (Beds)	.....	4½–4½	–4	.....	4 S. C.	S.+1
72 Oriental Rugs	5 S. C.	L.	–4	.....	4 S. C.	.....
73 Domestic Floor Coverings	5 S. C.	4½–4½	–2 & 4	.....	4 S. C.	S.+1
74 Draperies, Curtains and Upholstery	5 S. C.	5½–5½	–3	S.+1	6–3 & 4	5 S. C.
75 Lamps and Shades	5 S. C.	S.+1	–3	S.+½	6–2	5 S. C.
76 Glassware	.....	.....	–3	.....	5½–2	6–3
77 Electrical Household Appliances	.....	S.+1	S. S.	.....	S.+½	6–3
78 Miscellaneous Home Furnishings	.....	.....	S.+½	.....	S.+½	6–3
79 Gift Shop	.....	S.+1	S.+1	.....	S.+½	S. S.
81 Pictures, Frames, Mirrors	.....	S.+1	–3	S.+½	5 & 6 S. C.	.....
82 Pianos	.....	.....	.....	S.+½	S.+4 & 5	.....
83 Musical Instruments and Sheet Music	.....	.....	.....	.....	S.+1	.....
84 Radios	.....	7–7	–4	5 S. C.	S.+1	10 S. C.
85 Talking Machines and Records	.....	S.+1	–4	5 S. C.	S.+1	.....
Miscellaneous						
91 Toys	.....	S.+1	S.+1	S.+½	S.+½	S. S.
92 Sporting Goods and Cameras	.....	.....	–3	S.+½	S.+½	.....
93 Luggage	.....	S.+1	–3	S.+½	S.+½	6–4
94 Tires and Automobile Accessories	.....	.....	.....	S.+1	S.+½	S. S.
95 Restaurant, Fountain, Bakery	.....	.....	.....	.....	.....	.....
96 Candy	.....	L.	.....	.....	S.+1	.....
98 Groceries and Meats	.....	.....	.....	.....	.....	S. S.
99 Beauty Shop—Barber Shop	.....	5–5	L.	.....	.....	L.
Basement						
110 Piece Goods	.....	.....	–3	S.+½	6–3	5 S. C.
120 Small Wares	.....	.....	S.+½	.....	.....	5 S. C.
130 Ready-to-Wear Accessories	.....	.....	–3 & 4	4 S. C.	5–2	5 S. C.
150 Women's and Misses' Ready-to-Wear	.....	.....	–3	4 S. C.	5–2	4–3
160 Men's and Boys' Wear	.....	.....	–4	5 S. C.	4½ & 5 S. C.	5 S. C.
170 Home Furnishings	.....	.....	–3	5 S. C.	6½–2	.....
190 Miscellaneous	.....	.....	.....	S.+½	.....	5 S. C.

TABLE 10

Rates of Commission in Each Department in 22 Stores Paying by Quota-Bonus Method

	Quota-Bonus Stores	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
																							Men	Women
	Piece Goods																							
11	Silks and Velvets	....	5–1	4–3	4–2	3½–3½	6–3	4–3	7–3½	.....		4–2	4–3	4–2	.....	–2			5–3			–2	5–4	4–3
12	Woolen Dress Goods	....	5–1	4–3	4–2	3½–3½	6–3	5–4	7–3½	.....	5–4	4–2	5–3(9)	4–2	.....	...			5–3			–2	5–5	.....
13	Cotton Wash Goods	....	5–1	5–3¾	5–2½	4½–4½	7–3½	5–4	7–3½	.....	6–5	5–2	4–3(3) 5–3(7)	5–2½	.....	...	–2½		5–4			–2	.....	4½–4½
14	Linens	....	5–1	6–4½	4–2	4½–4½	7–3½	5–4	7–3½	.....		4–2	6–3(5) 5–3(11)	5–2½	.....	...	–2½	5–4	5–3			–2	4–4	3¼–3¼
15	Domestics	....	6–1	5–3¾	5–2½	4½–4½	7–3½	5–4	7–3½	.....	5–4	3–2	4–3(1) 3½–2	5–2½	.....	..	–2½		5–3			–2	4–4	.....
16	Patterns	....	10–1			3½–3½ 8–8	6–3	.....	.....	.....	10–5		.....		.....									
17	Linings	....	8–1	4–3	4–2	4½–4½	6–3	5–4	7–3½	.....	6–5	4–2	6–3	5–2½	.....	...		.....	10–2	...		–2	4–4	4–4
18	Bedding	....	6–1	5–3¾	4–2	3½–3½ 4½–4½	7–3½	5–4	7–3½	.....	5–4	4–2	5–3(3) 6–3(2) 7–3(4) 6–3(3)	5–2½	.....	...	–2½	.....	5–4			–2	3–3½	.....
	Small Wares																							
21	Laces, Trimmings	....	8–1	8–6	5–2½	6–6	7–3½	5–4	10–5	.....	10–5	7–2	9–3	6–3	.....	–2	–2½		7–5	–3		–2	.....	5–5
22	Ribbons	....	8–1	8–6	5–2½		7–3½	6–5	10–5	.....	8–5	8–2 5–2	8–3 9–3	8–4	.....	...	–2½	8–4	9–5	–3		–2		
23	Notions	....	10–1	8–6	6–3	7–7	9–4½	7–6	10–5	.....	6–5	7–3	10–3 8–3	8–4	.....	...	–2½	8–4	10–5	–3		–2	.....	5–5
24	Toilet Articles and Drugs	6–2	6–1	6–4½ 8–6	7–3	5–5	7–3½	5–4	10–5	.....	6–5	6–2	7–3(11) 5–3(1)	5–2½	6⅜–2		–2½	7–3½	7–4	–3		–2		
25S	Silverware	....	6–1	6–4½	5–2½	6–6	8–4	7–5	.....	.....	7–5	.....	6–3(11) 5–3(1)	8–4	.....	...	–2½	7–4	6–4	–3		–2	.....	4–5
25J	Jewelry	6–2	6–1	6½–4⅞	5–2½	8–8	8–4	7–5	.....	.....	8–5	6–2	7–3(11) 5–3(1)	8–4	6⅜–3	–4	–2½	7–4	6–4	–3		–2	.....	5–5
26	Umbrellas	6–2	7–1	6½–4⅞		5–5	7–3½	.....	.....	.....	7–5	5 to 10–2	6–3(5) 5–3(7)	7–3½	.....		–2½	8–4	7–4	–3		–2	.....	5–5
27	Art Goods—Art Needlework	....	7–1	6½–4⅞	4–2	7–7	8–4	6–5	10–5	.....	7–5	5 to 10–2	7–3	7–3½	.....	...	–2½	.....	7–4	–3		–2	.....	6–5
28S	Stationery	....	6–1	8–6	5–2½	8–8	8–4	6–4	.....	.....	6–5	5–2	8–3	7–3½	6⅜–3	...		8–4	8–5	–3		–2		
28B	Books and Magazines	....	....	7–5¾	6–3	8–8 7–7	8–4	.....	.....	.....	6–5	6–2	8–3	.....		...		.....	7–4	–3		–2	.....	6–5
	Accessories																							
31	Neckwear and Scarfs	6–2	8–1	6½–4⅞	5–2½	8–8	7–3½	6–5	.....	.....	7–5	7–2	7–3(11) 5–3(1)	6–3	6⅜–2	–2	–2½	8–4	7–4	–3		–2	.....	5–5
32	Artificial Flowers	6–2	8–1	6½–4⅞	5–2½	6–6	7–3½	6–5	.....	.....	7–5	7–2	9–3	6–3	.....	–2	–2½	.....	7–4	–3		–2	.....	5–5
33	Handkerchiefs	6–2	8–1	6½–4⅞	4–2	8–8	7–3½	6–5	.....	.....	7–5	5–2	7–3(11) 5–3(1)	7–3½	.....	–2	–2½	8–4	7–4	–3		–2	.....	5–5
34	Millinery	....	....	.....		6–6	9–4½	6–5	.....	.....	7–5	5–3		6–3		–3		6–4	6–3	...		–2	.....	5–5
35	Gloves	6–2	7–1	6½–4⅞	4–2	5–5	7–3½	5–4	10–5	.....	6–5	5–2	6–3(9) 5–3(8) 4½–3(1)	5–2½	6⅜–2	–2	–2½	6–3½	6–4	–3		–2	.....	6–5
36	Corsets	6–2	6–1	6–4½	5–2½	5–5	7–3½	5–3½	8–4	.....	6–5	5–2	5–3	5–2½	.....	–4	–2½	6–3	7–4	–3		–2	.....	5–5
37	Hosiery	4–2	5–1	4½–3⅝ 5–3¾	4–2	4–4	6–3	4–3	8–4	5½–3	5–4	3–2	4–3(11) 3–3(1)	5–2½	6⅜–2	–2	–2½	4½–3	5–3	–3		–2		
38	Knit Underwear	....	5–1	5–3¾	4–2	5–5	7–3½	5–3½	8–4	.....		4–2	5–3	5–2½	.....	–4	–2½	5½–3½	....	–3		–2	.....	4–4
39	Silk and Muslin Underwear	5–2	5–1	5–3¾	4–2	5–5	7–3½		8–4	.....	6–5	4–2	5–3	5–2½	.....	–2	–2½		5–4	–3		–2	.....	4–4½
41	Petticoats	....	5–1	5–3¾	4–2	5–5	7–3½		8–4	.....	6–5	4–2	5–3	5–2½	.....	...	–2½		5–3	–3		–2	.....	4–4
42	Negligees and Robes	5–2	5–1	5–3¾	4–2	5–5	7–3½		.....	.....	6–5	4–2	6–3(11) 5–3(1)	5–2½	6⅜–2	–2	–2½		5–3	–3		–2	.....	4–4
43	Infants' Wear	6–2	6–1	5–3¾	4–2	5–5	7–3½		8–4	.....	6–5	4–2	5–3	5–2½	6–1½	...	–2½		6–3	–3		–2	.....	4½–4½
46	Small Leather Goods	6–2	7–1	6½–4⅞	4–2	6–6	7–3½	6–5	.....	.....	7–5	5–2	6–3(11) 5–3(1)	7–3½	5–3	–2	–2½	7–3½	6–4	–3		–2	.....	5–5 6–5
47	Women's Shoes	6–2	5–1	6–4½		6–6	8–4		.....	.....	6–5		8–3	.....		–5						–2		
48	Children's Shoes	....	5–1	6–4½		6–6	8–4		.....	6–3	6–5		8–3	.....	.....	...						–2		
	Ready-to-Wear																							
51	Women's Coats	4–2	5–1	4–3	4–2	3½–3½	5–2½		.....	.....	....	3–2	5–3(6) 4–3(6)	4–2	4–1½	–2	–2½	4–3½	5–3	–3		–2	.....	3–3
52	Women's Suits	4–2	5–1	4–3	4–2	4½–4½	5–2½		.....	.....	....	4–2	5–3(6) 4–3(6)	5–2½	.....	–2	–2½	4–3½	5–3	–3		–2	.....	3–3
53	Women's Dresses	4–2	5–1	4½–3⅜	4–2	4½–4½	5–2½	4½–3½	.....	.....	....	4–2	5–3(6) 4–3(6)	4–2	4–1½	–2	–2½	4–3½	4–3	–3		–2	.....	4–4
53P	Popular Priced Dresses	5–2	5–1	5–3¾	4–2	.....	.....	4½–3½	.....	.....	....	4–2	5–3(6) 4–3(6)	4–2	.....		–2½	4–3½	4–3	–3		–2	.....	4–4
54	Blouses and Skirts	5–2	7–1	5–3¾	4–2	5–5	7–3½	.....	.....	.....	....	4–2	5–3	5–2½	.....	–2	–2½	4½–3	5–3	–3		–2	.....	4½–4
55C	Misses' Coats and Suits	4–2	6–1	4–3	4–2	3½–3½	5–2½	.....	.....	.....	....	4–2	5–3(6) 4–3(6)	4–2	.....	–2	–2½	.....	5–3	–3		–2	.....	3–3
55D	Misses' Dresses	4–2	6–1	4½–3⅜	4–2	4½–4½	5–2½	4½–3½	.....	.....	....	4–2	5–3(6) 4–3(6)	4–2	.....	–2	–2½	.....	6–3	–3		–2	.....	4–4½
55J	Juniors' Wear	4–2	5–1	4½–3⅜	4–2	5–5	7–3½		.....	.....	....	4–2	5–3(8) 6–3(4)	5–2¾	6–1½	–2	–2½	4½–3	6–3	–3		–2	.....	4–4½
56	Sports Wear	5–2	7–1	5–3¾	4–2	5–5	7–3½	5–4	.....	.....	....	4–2	5–3	5–2½	.....	–2	–2½	4½–3	5–3	–3		–2	.....	4–4½
57D	Aprons and House Dresses	5–2	5–1	5–3¾	4–2	5–5	7–3½	5–4	.....	.....	6–5	4–2	5–3	5–2½	.....		–2½		5–3	–3		–2	.....	5–5
57U	Maids' and Nurses' Uniforms	5–2	5–1	5–3¾	4–2	5–5	7–3½	5–4	.....	.....	6–5	4–2	5–3	5–2½	.....		–2½		5–3	–3		–2	.....	4½–4½
59	Furs	3–2	5–1	2½–1⅞	4–2	2½–2½	5–2½	3–2	.....	.....		3–1		4–2	4–1½		–2½	4–3½	....	...		–2	.....	
	Men's and Boys' Wear																							
61	Men's Clothing	....	....	.....		5–5	.....		4–2	6–5		5–3	5–3	.....	.....	...		.....	....	–3		–2	5–5	.....
62	Men's Furnishings	....	5–1	6½–4⅞	4–2	6½–6½	7–3½	5–4		6–3	8–5	5–3	6–3(11) 5–3(1)	5–2½	.....	...	–2½		6–3	–3		–2	5–5	.....
65	Men's Hats and Caps	....	5–1	.....		6½–6½	.....		6–3	8–5	6–2		7–3	.....	.....	...	–2½	.....	6–3	...		–2	.....	.....
66	Boys' Wear	....	5–1	6½–4⅞		5–5	7–3½	5–4	5½–2½	6–5			5–3	.....	.....	...	–2½	.....	6–3	–3		–2	4½–4½	.....
67	Men's and Boys' Shoes	....	....	.....		6–6	.....	.....	6½–2½	6–5			8–3	.....	.....	...	–2½	.....	....	...		–2		4–5
	Home Furnishings																							
71	Furniture (Beds)	....	5–1	.....	4–2	4–4	7–3½		.....	.....		5–2	3½–3	.....	.....	...	–2½		4–3	–3		–2		
72	Oriental Rugs	....	....	6–4½	4–2	.....	.....		.....	.....	....		5–3	.....	.....	...	–2½	.....	4–3	–3		–2		
73	Domestic Floor Coverings	....	5–1	6–4½	4–2	4–4	5–2½		.....	.....			5–3	.....	.....	...	5–2½	4–3	4–3	–3		–2		
74	Curtains and Upholstery	....	5–1	6–4½	5–2½	4½–4½	7–3½		.....	.....			5–3	5–2½	.....	...	10–2½	4½–3½	5–3	–3		–2		
75	Lamps and Shades	....	8–1	6–4½	6–3	6–6	7–3½		.....	.....		6–2	5–3	.....	.....	...	–2½	5½–3	6–4	–3		–2	5–5	3½–4½
76	China and Glassware	....	8–1	6–4½	6–3	6–6	8–4		.....	.....	6–5	4–2	6–3	.....	.....	...	–5	.....	6–4	–3		–2		
77	Elec. Household Appliances	....	....	6–4½	4–2	5–5	8–4	.....	.....	.....	6–5	5–2	6–3	.....	.....	...	–2½	4½–3	6–4	–3		–2		
78	Miscellaneous Home Furnishings	....	....	6–4½	4–2	5–5	8–4		.....	.....	6–5	5–2	6–3	.....	.....	...	–2½	.....	6–4	–3		–2		
79	Gift Shop	....	8–1	6–4½	6–3	6–6	.....		.....	.....	6–5	6–2	6–3	7–3½	.....	...	–2½	.....	6–4	–3		–2	.....	.....
81	Pictures, Frames, Mirrors	....	....	8–6	6–3	7–7	.....	.....	.....	.....	....	5–2	8–3(11) 6–3(1)	.....	.....	...	–2½	.....	....	–3		–2	.....	.....
82	Pianos	....	....	.....	.....	.....	.....	.....	.....	.....	....	.....	.....	.....	.....	...	–10	.....	....	...		–2		
83	Musical Instr. and Sheet Music	....	....	.....	.....	4–4	.....	.....	.....	.....	....	.....	12–3	.....	.....	...	.....	.....	....	...		–2		
84	Radios	....	....	.....		4–4	.....	.....	.....	.....	....	.....	.....	.....	.....	...	–5	.....	10–5	...		–2		
85	Talking Machines and Records	....	....	.....		4–4	.....	.....	.....	.....	....		6–3	.....	.....	...	–5	.....	10–5	...		–2		
	Miscellaneous																							
91	Toys	....	5–1	x	4–2	6–6	8–4	.....	.....	.....	6–5	6–2	8–3	.....		...	–2½	.....	6–4	–3		–2	5–5	5–5
92	Sporting Goods and Cameras	....	....	.....	.....	5–5	.....	5–3½	.....	.....		5–2	8–3(5) 7–3(7)	.....		...	–2½	.....	5–4	...		–2		
93	Luggage	....	5–1	6–4½	4–2	5–5	7–3½	.....	.....	.....		5–2	6–3(11) 5–3(1)	7–3½	.....	...	–2½	7–3½	5–4	–3		–2		
94	Tires and Auto Accessories	....	....	.....	.....	5–5	8–4	.....	.....	.....	....	.....	7–3	.....	.....	...	–2½	.....	5–3	...		–2	3½–3½	.....
95	Restaurant, Bakery	....	....	.....	.....	6–6	.....	6–4	.....	.....	....		8–3	.....	.....			.....	....	...		–2		
96	Candy	....	10–1	.....		8–8	.....	6–5	.....	.....	....	6–2	6–3(11) 5–3(1)	.....	.....	...	–2½	.....	....	...		–2		
98	Groceries and Meats	....	....	.....	.....	.....	.....	.....	.....	.....	....	5–2	6–2	.....	.....	...	.....	.....	....	...		–2		
99	Beauty Shop, Barber Shop	....	....	.....		.....	.....	.....	.....	.....	....			.....	.....			.....						
	Basement																							
110	Piece Goods	....	....	.....	4–2	5–5	.....	4–3	.....	.....	6–5	6–2	5–3	.....	.....	...	.....		....	...		–2	.....	.....
120	Small Wares	....	...	.....	6–3	5–5	.....	5–4	.....	.....	7–5	.....	5–3	.....	.....	...	.....		....	...		–2	.....	.....
130	Ready-to-Wear Accessories	....	5–1	.....	4–2	4–4	.....	5–4	.....	.....		.....	4–3	.....	.....		.....		5–3	...		–2	.....	.....
150	Women's and Misses' Ready-to-Wear	....	5–1	.....	4–2	4–4	.....		.....	.....		4–2	4–3	4–2	.....		.....		4–3	–3		–2	.....	.....
160	Men's and Boys' Wear	....	5–1	.....	4–2	5–5	.....	5–4	.....	.....	6–5	.....	5–3	.....	.....	...	.....	4–3½	4–3	...		–2	.....	.....
170	Home Furnishings	....	5–1	.....	.....	.....	.....	.....	.....	.....	....	6–2	5–3	.....	.....	...	.....	.....	5–3	–3		–2	.....	.....
190	Miscellaneous	....	....	.....	.....	.....	.....	5–4	.....	.....	....	.....	5–3	.....	.....	...	.....	.....	5–3	...		–2	.....	.....

[1] Where two percentages are given first is from January to August; the second from August to January.
[2] Numbers in parentheses indicate number of months given rate holds, Store L.
[3] .... means no department.
[4] Nothing in space indicates that method of pay in that department is not quota-bonus.
[5] Store A—1% additional on $75.00 dresses.
[6] Store D—Percentages lowered at peak periods.
[7] Store C—x means *seasonal*.
[8] Store O—% below quota for each month is based on average of that month in past 6 years.
[9] Store T—In process of changing to quota bonus and no rates given.
[10] Store U—Percents below differ with department but are not given.

TABLE 11

AMOUNT AND PERCENTAGE OF AVERAGE WEEKLY EARNINGS FROM BONUS AND COMMISSION IN HOSIERY DEPARTMENTS

		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Salary plus Commission													
12	Amount	$1.42	2.16	2.24	3.37	1.60	1.37	1.93	1.85	1.76	2.63	1.49	1.29
	Percentage	7.9	11.4	11.7	17.2	8.0	7.9	10.1	9.6	9.4	12.8	7.9	6.7
20	Amount	$2.51	2.37	2.62	2.81	2.36	1.56	1.93	2.28	2.25	2.07	....	1.65
	Percentage	13.9	12.5	13.0	14.8	12.7	9.0	11.1	12.5	12.6	11.4	....	7.7
21	Amount	$6.34	7.72	6.98	11.27	8.06	8.51	9.24	7.11	9.04	9.38	7.25	8.57
	Percentage	25.0	28.6	27.0	38.0	29.1	31.0	32.3	26.7	34.2	32.2	26.5	30.0
25	Amount	$1.59	2.83	2.23	3.84	3.57	2.58	2.78	3.49	3.20	4.07	3.35	3.47
	Percentage	8.3	13.6	11.5	21.2	16.3	12.4	13.4	16.0	15.1	18.6	13.4	13.9
30	Amount	$2.49	3.00	1.58	5.60	2.69	3.56	3.04	3.11	4.78	3.68	2.22	1.83
	Percentage	11.7	14.6	8.3	24.7	13.2	16.9	15.0	14.8	21.0	16.9	10.6	9.2
54	Amount	$3.24	4.12	4.31	5.05	3.67	3.87	4.35	2.99	4.20	6.50	4.93	4.37
	Percentage	15.8	19.2	19.8	21.3	15.1	16.8	20.7	17.7	19.8	25.6	18.5	19.2
70	Amount	$2.04	2.71	2.15	8.40	1.23	1.54	2.36	1.94	1.94	2.06	1.52	1.61
	Percentage	11.2	14.2	11.8	34.3	7.2	8.7	12.5	11.1	10.9	11.7	8.9	9.7
72	Amount	$1.22	1.63	2.23	2.01	2.31	1.86	1.77	2.16	2.16	2.17	2.13	1.66
	Percentage	5.4	7.5	10.6	10.5	10.3	8.6	8.5	10.1	9.7	10.2	9.6	7.4
Quota-Bonus													
40	Amount	$5.95	5.39	5.34	24.99	2.74	4.01	8.58	2.52	6.36	5.46	2.71	4.23
	Percentage	23.4	21.6	21.4	54.5	12.6	17.0	30.7	11.6	24.9	22.5	11.1	15.4
41	Amount	$ .09	.72	.19	10.95	.06	.51	2.93	1.96	2.54	2.41	.74	1.66
	Percentage	0.6	4.4	1.2	37.8	0.4	3.1	15.3	10.6	13.5	12.8	4.4	9.4
48	Amount	$7.96	8.04	6.75	19.71	2.70	4.75	5.19	4.34	6.13	6.20	4.39	2.17
	Percentage	33.1	33.0	29.2	54.4	14.4	22.7	24.3	21.3	27.5	27.9	20.2	11.3
49	Amount	$2.49	3.28	1.82	12.24	2.20	.71	.63	1.12	1.63	2.60	1.28	1.25
	Percentage	12.2	14.3	9.0	39.1	10.5	3.8	3.4	5.9	8.4	13.9	6.9	6.0
57	Amount	$2.95	3.35	5.50	9.97	....	....	.81	.96	....	....	....	....
	Percentage	15.7	18.9	26.0	38.5	....	....	4.8	5.6	....	....	....	....
66	Amount	$ .15	.17	.26	....	.38	....	....	....	....	....	....	....
	Percentage	0.9	1.3	1.4	....	2.1	....	....	....	....	....	....	....
76	Amount	$....	.09	....	5.06	....	....	....	....	1.27	....	....	....
	Percentage	...	0.5	....	20.5	....	....	....	....	5.6	....	....	....
79	Amount	$1.72	.87	3.29	9.42	1.07	2.05	2.32	2.40	2.39	2.02	.80	1.87
	Percentage	8.9	4.4	14.0	33.7	5.4	10.4	11.2	11.8	11.6	9.7	4.0	8.9
81	Amount	$8.95	8.95	6.24	12.96	3.53	6.75	6.73	7.78	7.21	6.38	6.22	2.62
	Percentage	33.0	36.4	23.3	45.1	16.7	28.6	24.4	31.9	26.5	26.4	27.3	11.7
98	Amount	$ .42	.42	.91	2.19	.23	.17	1.27	.53	.98	1.06	.22	.65
	Percentage	2.4	2.4	5.1	11.7	1.3	1.0	6.9	2.9	5.2	5.8	1.3	3.7
99	Amount	$2.41	3.85	4.03	3.36	....	....	3.66	....	....	21.26	....	....
	Percentage	11.4	17.1	17.6	15.0	....	....	16.0	....	....	52.7	....	....

TABLE 12

WOMEN'S HOSIERY
AVERAGE WEEKLY EARNINGS PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
12	$17.92	$18.92	$19.15	$19.57	$20.01	$17.37	$19.09	$19.31	$18.75	$20.52	$18.81	$19.30
15	16.59	16.41		18.05	19.97	16.21	16.82	17.38	18.24	18.24	20.67	20.57
20	18.04	18.99	20.13	18.96	18.54	17.36	17.38	18.22	17.87	18.14		21.41
21	25.35	26.99	25.87	29.66	27.68	27.46	28.62	26.61	29.07	29.12	27.35	28.58
23	27.57	27.70	27.19	26.87	27.35	27.05	27.16	27.56	27.24	26.70	26.87	26.20
24	15.78	17.04	17.36	20.01	17.01	17.06	17.10	18.08	16.24	17.83	21.93	23.64
25	19.11	20.80	19.39	18.13	21.89	20.78	20.74	21.82	21.21	21.87	24.96	24.99
30	21.30	20.54	19.02	22.68	20.34	21.08	20.30	21.03	22.75	21.80	20.92	19.84
40	25.43	24.96	24.94	45.86	21.71	23.57	27.94	21.68	25.55	24.25	24.44	27.45
41	15.67	16.44	15.91	28.97	15.81	16.27	19.16	18.48	18.83	18.81	16.75	17.67
48	24.05	24.38	23.11	36.23	18.79	20.95	21.37	20.39	22.28	22.22	21.74	19.22
49	20.41	22.99	20.23	31.29	20.92	18.68	18.47	18.95	19.41	18.67	18.59	20.86
54	20.50	21.44	21.76	23.70	24.29	23.03	21.03	16.90	21.21	25.41	26.65	22.77
57	18.77	17.73	21.15	25.90	16.74	15.81	16.81	17.09				
59	14.92	14.71	14.68	14.90	14.74	15.05	14.67	16.55	14.85	14.52	15.39	15.16
63	17.34	17.31	17.73	18.90	17.50	16.33	16.35	16.26	16.74	17.18	16.66	17.56
66	16.42	13.37	18.78	14.20	18.13	15.42	14.24	18.47	14.60	15.34	20.05	13.71
70	18.24	19.08	18.25	24.50	17.14	17.71	18.93	17.46	17.78	17.58	17.02	16.57
71	16.26	15.71	20.23	16.81	16.90	18.04	18.11	18.53	18.14	18.13	20.83	24.65
72	22.52	21.69	21.01	19.15	22.40	21.62	20.84	21.35	22.29	21.27	22.22	22.40
76	17.72	17.70	19.79	24.67	19.63	21.85	22.62	20.38	22.67	17.87	19.68	21.90
77	10.78	10.34	13.84	10.75	14.56	12.75	12.36	13.18	12.32	12.04	12.23	
79	19.38	19.78	23.48	27.95	19.75	19.73	20.75	20.32	20.60	20.81	20.08	20.98
81	27.12	24.58	26.78	28.73	21.11	23.60	27.57	24.40	27.22	24.17	22.80	22.42
85	16.86	15.67	16.27	15.31	14.70	17.16	15.88	15.95	15.51	17.08	17.38	16.33
92	14.57	14.59	14.03	18.32	15.41	15.32	10.90	15.23	15.39	14.71	14.40	14.59
93	20.80	21.02	20.04	20.31	20.60	20.64	20.73	21.40	20.26	19.01	21.02	18.97
98	17.54	17.38	17.79	18.74	17.31	17.17	18.46	18.36	18.88	18.27	16.88	17.64
99	21.12	22.49	22.92	22.38	19.26	19.20	22.86	19.18	19.20	40.35	19.26	19.09

TABLE 13

Women's Hosiery
Average Weekly Net Sales per Full-Time Employee

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
12	$356	$430	$447	$ 674	$319	$275	$387	$371	$353	$ 525	$298	$258
15	346	310		732	224	234	358	437	481	518	461	329
20	558	448	521	674	300	314	476	380	470	502		335
21	777	840	807	1,084	751	764	901	863	994	1,004	762	866
23	567	674	663	1,113	580	662	724	732	758	782	495	382
24	501	345	396	693	290	327	422	480	402	509	541	502
25	388	536	480	754	441	586	656	588	739	853	645	685
30	501	599	316	577	538	715	610	624	753	735	442	367
40	677	658	619	1,186	538	592	712	546	660	626	595	708
41	321	433	388	754	302	347	454	495	451	445	389	398
48	555	585	497	1,084	335	416	484	460	509	500	416	380
49	473	395	460	706	357	399	418	379	414	421	356	378
54	294	375	431	505	366	386	436	299	421	650	492	438
57	460	450	520	630	357	395	424	420				
59	337	329	411	482	247	282	385	385	382	384	318	347
63	491	733	475	724	586	341	337	523	503	578	507	577
66	414	474	357	476	381	285	355	295	356	395	436	244
70	420	556	439	857	267	324	487	396	412	425	314	333
71	318	358	397	660	284	343	454	349	416	491	409	478
72	395	369	494	526	301	361	401	416	448	550	318	359
76	210	255	262	530	166	202	248	250	368	232	171	180
77	232	256	307	429	213	182	190	196	231	240	221	
79	444	654	600	910	438	558	530	549	742	542	463	542
81	639	596	580	725	475	463	552	502	540	500	462	460
85	433	383	444	487	280	326	370	311	324	391	300	286
92	325	275	238	600	215	222	277	278	404	367	380	348
93	459	501	418	577	343	428	443	520	509	434	444	501
98	404	396	427	502	376	385	469	405	428	429	376	393
99	477	647	543	739	461	418	561	608	777	614	608	600

TABLE 14

Women's Hosiery
Average Weekly Number of Transactions per Full-Time Employee

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	192	175		363	133	140	201	234	261	300	280	182
20				408	182	227	340	245	240	373		256
21							350	334	307	423	334	367
23	140	160	157	226	157	167	181	179	184	183	125	101
24	249	155	170	253	131	150	197	219	184	241	246	221
25	184	260	211	323	229	283	294	268	355	392	302	332
30	137	139	81	135	172	222	214	205	205	195	129	114
40	229	222	210	336	186	207	227	191	229	220	203	227
41	154	217	204	327	167	193	234	250	234	234	207	207
49										197	180	182
57	259	240	281	313	215	206	228	240				
59	239	234	281	267	195	214	278	288	278	295	230	225
63	258	359	265	302	311	194	197	319	290	330	293	322
66	128	143	123	147	127	107	121	108	122	126	129	82
70	233	283	226	364	150	173	237	223	219	227	176	177
71	70	120	125	172	94	104	134	113	126	129	115	128
72					183	192	192	197	239	254	275	190
76	108	110	104	177	69	97	95	104	139	97	64	80
79	242	261	269	369	199	237	269	292	315	240	207	221
85	207	175	202	171	148	173	179	167	171	184	148	139
98		230		241	173	82	190	146	205	207	194	197
99			423	466	374	328	475	363	553	471	429	657

TABLE 15

Women's Hosiery
Selling Cost Per Cent of Full-Time Employees

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
12	5.0	4.4	4.3	2.9	6.3	6.3	4.9	5.2	5.3	3.9	6.3	7.5
15	4.8	5.3		2.5	8.9	6.9	4.7	4.0	3.8	3.5	4.5	6.2
20	3.2	4.2	3.9	2.8	6.2	5.5	3.7	4.8	3.8	3.6		6.4
21	3.3	3.2	3.2	2.7	3.7	3.6	3.2	3.1	2.9	2.9	3.6	3.3
23	4.9	4.1	4.1	2.4	4.7	4.1	3.8	3.8	3.6	3.4	5.4	6.9
24	3.2	4.9	4.4	2.9	5.9	5.2	4.0	3.8	4.0	3.5	4.1	4.7
25	4.9	3.9	4.0	2.4	5.0	3.5	3.2	3.7	2.9	2.6	3.9	3.7
30	4.2	3.4	6.0	3.9	3.8	3.0	3.3	3.4	3.0	3.0	4.7	5.4
40	3.8	3.8	4.0	3.9	4.0	4.0	3.9	4.0	3.9	3.9	4.1	3.9
41	4.9	3.8	4.1	3.8	5.2	4.7	4.2	3.7	4.2	4.2	4.3	4.4
48	4.3	4.2	4.6	3.3	5.6	5.0	4.4	4.4	4.4	4.4	5.2	5.1
49	4.3	5.8	4.4	4.4	5.9	4.7	4.4	5.0	4.7	4.4	5.2	5.5
54	7.0	5.7	5.0	4.7	6.6	6.0	4.8	5.7	5.0	3.9	5.4	5.2
57	4.1	3.9	4.1	4.1	4.7	4.0	4.0	4.1				
59	4.4	4.5	3.6	3.1	6.0	5.3	3.8	4.3	3.9	3.8	4.8	4.4
63	3.5	2.4	3.7	2.6	3.0	4.8	4.9	3.1	3.3	3.0	3.3	3.0
66	4.0	2.8	5.3	3.0	4.8	5.4	4.0	6.3	4.1	3.9	4.6	5.6
70	4.3	3.4	4.2	2.9	6.4	5.5	3.9	4.4	4.3	4.1	5.4	5.0
71	5.1	4.4	5.1	2.5	5.9	5.3	4.0	5.3	4.4	3.7	5.1	5.2
72	5.7	5.9	4.3	3.6	7.5	6.0	5.2	5.1	5.0	3.9	7.0	6.2
76	8.4	6.9	7.6	4.7	11.8	10.8	9.1	8.1	6.2	7.7	11.5	12.2
77	4.6	4.0	4.5	2.5	6.8	7.0	6.5	6.7	5.3	5.0	5.5	
79	4.4	3.0	3.9	3.1	4.5	3.5	3.9	3.7	2.8	3.8	4.3	3.9
81	4.2	4.1	4.6	4.0	4.4	5.1	5.0	4.9	5.0	4.8	4.9	4.9
85	3.9	4.1	3.7	3.1	5.3	5.3	4.3	5.1	4.8	4.4	5.8	5.7
92	4.5	5.3	5.9	3.1	7.2	6.9	6.1	5.5	3.8	4.0	3.8	4.2
93	4.5	4.2	4.8	3.5	6.0	4.8	4.7	4.1	4.0	4.4	4.7	3.8
98	4.3	4.4	4.2	3.7	4.6	4.5	3.9	4.5	4.4	4.3	4.5	4.5
99	4.4	3.5	4.2	3.0	4.2	4.6	4.1	3.2	2.5	6.6	3.2	3.2

TABLE 16

Women's Hosiery
Average Sales Check of Full-Time Employees

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	$1.80	$1.77		$2.02	$1.68	$1.67	$1.78	$1.87	$1.84	$1.72	$1.64	$1.81
20				1.67	1.67	1.40	1.41	1.57	1.99	1.36		1.33
21							2.57	2.58	2.50	2.38	2.28	2.36
23	4.39	4.59	$4.64	5.30	4.40	4.43	4.38	4.58	4.58	4.72	4.44	4.21
24	2.05	2.30	2.43	2.83	2.30	2.25	2.19	2.25	2.25	2.27	2.24	2.32
25	2.19	2.16	2.35	2.46	2.16	2.21	2.34	2.32	2.19	2.32	2.26	2.19
30	3.71	4.39	3.98	4.33	3.24	3.30	2.94	3.09	3.73	3.84	3.54	3.31
40	3.07	3.12	3.08	3.66	3.10	2.99	3.28	3.01	3.02	3.06	3.06	3.25
41	2.16	2.07	2.01	2.42	2.09	2.03	2.05	2.04	2.08	2.01	1.94	2.06
49										2.18	2.02	2.11
57	1.79	1.91	1.89	2.05	1.73	1.92	1.90	1.79				
59	1.41	1.41	1.46	1.80	1.26	1.31	1.39	1.34	1.37	1.30	1.38	1.54
63	1.93	2.07	1.84	1.88	1.96	1.81	1.73	1.67	1.76	1.78	1.76	1.82
66	3.32	3.36	2.99	3.30	3.09	2.73	2.97	2.80	3.00	3.22	3.49	3.07
70	1.84	2.01	2.00	2.41	1.87	1.93	2.11	1.81	1.92	1.92	1.84	1.93
71	4.89	3.24	3.42	4.09	3.39	3.52	3.59	3.36	3.55	4.07	3.86	3.93
72					1.69	1.93	2.13	2.15	1.91	2.20	1.19	1.93
76	2.00	2.38	2.63	3.04	2.49	2.12	2.67	2.51	2.73	2.46	2.75	2.29
79	1.91	2.66	2.33	2.53	2.32	2.35	2.05	1.94	2.45	2.35	2.41	2.55
85	2.14	2.28	2.26	2.93	1.97	1.93	2.12	1.92	1.96	2.19	2.07	2.09
98		1.78		2.14	2.23	4.79	2.53	2.86	2.14	2.14	1.99	2.04
99			1.29	1.58	1.23	1.28	1.18	1 68	1.40	1.30	1.42	.91

TABLE 17

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF $120,000 AND LESS THAN $240,000

	Straight Salary					Salary Plus Commission on All Sales				Quota-Bonus	
	Store No. 85	Store No. 63	Store No. 93	Store No. 24	Store No. 71	Store No. 54	Store No. 72	Store No. 70	Store No. 30	Store No. 99	Store No. 66
Lower Earnings Third											
Average weekly earnings per employee	$14.18	13.73	15.96	14.80	15.16	20.07	17.19	14.06	18.88	19.34	13.24
Average weekly net sales per employee	$313	425	407	330	303	342	395	291	443	526	301
Average weekly number transactions per employee	171	246		192	117		233	196	134	463	124
Selling cost per cent	4.5	3.2	3.9	4.5	5.0	5.9	4.4	4.8	4.3	3.7	4.4
Average sales check	$1.87	1.77		1.78	2.76		1.72	1.52	3.39	1.14[a]	2.48
Average selling cost per sales check	$0.08	0.06		0.08	0.13		0.08	0.07	0.14	0.04	0.11
Percentage of returns	2.3	2.1		3.0	6.0	3.3	1.5	2.3	2.5		1.8
Middle Earnings Third											
Average weekly earnings per employee	$15.80	15.20	18.38	18.04	18.22	22.01	19.89	17.05	20.60	21.40	15.46
Average weekly net sales per employee	$388	477	429	476	407	403	437	313	489	452	327
Average weekly number transactions per employee	180	265		207	106		216	156	139	395	110
Selling cost per cent	4.1	3.2	4.3	3.8	4.5	5.5	4.5	5.4	4.2	4.7	4.7
Average sales check	$2.23	1.83		2.35	4.12		1.91	2.09	3.59	1.15[a]	3.07
Average selling cost per sales check	$0.09	0.06		0.09	0.17		0.09	0.11	0.15	0.05	0.14
Percentage of returns	3.1	1.7		2.3	6.8	0.5	1.6	3.9	1.7		2.9
Upper Earnings Third											
Average weekly earnings per employee	$18.49	20.37	23.61	21.60	21.85	24.04	27.49	21.02	23.78	26.02	19.52
Average weekly net sales per employee	$384	606	519	563	557	501	421	538	702	768	555
Average weekly number transactions per employee	162	328		209	140		193	254	180	447	151
Selling cost per cent	4.8	3.4	4.6	3.8	3.9	4.8	6.5	3.9	3.4	3.4	3.5
Average sales check	$2.44	1.89		2.77	4.30		1.95	2.17	3.97	1.73[a]	3.75
Average selling cost per sales check	$0.11	0.06		0.10	0.16		0.14	0.08	0.13	0.06	0.13
Percentage of returns	3.2	2.1		2.8	7.7	3.2	2.6	2.4	1.9		2.1

[a] Based on net sales.

TABLE 18

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF $240,000 AND OVER

	Straight Salary	Salary Plus Commission on All Sales			Quota-Bonus					
	Store No. 23	Store No. 20	Store No. 25	Store No. 21	Store No. 49	Store No. 48	Store No. 98	Store No. 41	Store No. 40	Store No. 79
Lower Earnings Third										
Average weekly earnings per employee	$23.32	15.68	16.40	21.23	16.10	17.12	16.27	15.23	21.93	16.93
Average weekly net sales per employee	$606	402	385	552	313	179	381	364	500	488
Average weekly number transactions per employee	158	277	191	288	158[b]		173	198	212	265
Selling cost per cent	3.9	3.9	4.3	3.8	5.1	9.5	4.3	4.2	4.4	3.5
Average sales check	$4.27	1.41	2.11	1.89[a]	1.70[b]		2.29	1.94	2.48	1.84
Average selling cost per sales check	$0.15	0.06	0.09	0.07	0.10[b]		0.09	0.08	0.10	0.06
Percentage of returns	10.2	0.9	4.7		2.2	2.1	2.2	5.1	5.1	4.2
Middle Earnings Third										
Average weekly earnings per employee	$26.72	18.38	20.80	25.50	20.19	23.33	17.86	18.04	26.50	19.15
Average weekly net sales per employee	$749	474	639	797	402	633	426	431	712	515
Average weekly number transactions per employee	191	298	301	341	186[b]		194	232	231	247
Selling cost per cent	3.6	3.9	3.3	3.2	5.0	3.7	4.2	4.2	3.7	3.7
Average sales check	$4.30	1.54	2.24	2.34[a]	2.09[b]		2.26	1.97	3.23	2.18
Average selling cost per sales check	$0.14	0.06	0.07	0.08	0.10[b]		0.09	0.08	0.11	0.08
Percentage of returns	8.8	1.1	5.3		2.5	1.7	2.9	5.8	4.4	4.5
Upper Earnings Third										
Average weekly earnings per employee	$31.71	20.67	23.99	29.91	24.69	32.51	20.50	20.60	29.39	24.35
Average weekly net sales per employee	$721	453	772	972	546	956	472	484	762	678
Average weekly number transactions per employee	147	259	340	395	218[b]		211	219	221	270
Selling cost per cent	4.4	4.6	3.1	3.1	4.5	3.4	4.3	4.3	3.9	3.6
Average sales check	$5.45	1.71	2.41	2.59[a]	2.43[b]		2.27	2.35	3.63	2.62
Average selling cost per sales check	$0.22	0.08	0.07	0.08	0.11[b]		0.10	0.09	0.13	0.09
Percentage of returns	9.9	1.0	5.6		1.9	1.6	2.5	5.9	5.0	4.4

[a] Based on net sales. [b] 3 months records.

TABLE 19

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF $120,000 AND LESS THAN $240,000

	Straight Salary					Salary Plus Commission on All Sales				Quota-Bonus	
	Store No. 85	Store No. 63	Store No. 93	Store No. 24	Store No. 71	Store No. 54	Store No. 72	Store No. 70	Store No. 30	Store No. 99	Store No. 66
Lower Net Sales Third											
Average weekly earnings per employee	$15.99	13.72	17.44	14.84	15.24	21.01	12.59	14.45	19.49	19.45	14.22
Average weekly net sales per employee	$243	421	399	298	211	316	213	175	266	405	211
Average weekly number transactions per employee	138	244		178	96			116	83		95
Selling cost per cent	6.6	3.3	4.4	5.0	7.2	6.7	5.9	8.3	7.3	4.8	6.7
Average sales check	$1.82	1.76		1.73	2.35			1.54	3.24		2.28
Average selling cost per sales check	$0.12	0.06		0.08	0.16			0.12	0.23		0.15
Percentage of returns	3.2	2.0		3.3	6.1	3.4	2.2	2.2	1.4		3.3
Middle Net Sales Third											
Average weekly earnings per employee	$15.02	15.43	18.88	17.46	16.67	21.10	22.15	15.46	19.93	21.11	14.77
Average weekly net sales per employee	$351	475	441	447	395	435	398	352	383	631	331
Average weekly number transactions per employee	169	259		209	120			209	106		110
Selling cost per cent	4.3	3.2	4.3	3.9	4.2	4.9	5.6	4.4	5.2	3.3	4.5
Average sales check	$2.14	1.87		2.19	3.51			1.74	3.67		3.08
Average selling cost per sales check	$0.09	0.06		0.08	0.14			0.07	0.19		0.14
Percentage of returns	3.0	1.7		2.2	6.4	0.6	1.9	3.1	1.6		2.1
Upper Net Sales Third											
Average weekly earnings per employee	$16.81	20.62	24.67	20.40	20.59	24.04	21.19	21.02	21.48	26.02	17.21
Average weekly net sales per employee	$442	621	563	561	531	501	461	538	622	768	492
Average weekly number transactions per employee	194	338		214	132			254	172		145
Selling cost per cent	3.8	3.3	4.4	3.6	3.9	4.8	4.6	3.9	3.5	3.4	3.5
Average sales check	$2.34	1.87		2.70	4.34			2.17	3.70		3.46
Average selling cost per sales check	$0.09	0.06		0.10	0.16			0.08	0.13		0.12
Percentage of returns	2.7	2.1		2.6	7.3	3.2	1.9	2.4	2.1		2.2

TABLE 20

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S HOSIERY DEPARTMENTS WITH ANNUAL NET SALES OF $240,000 AND OVER

	Straight Salary	Salary Plus Commission on All Sales			Quota-Bonus					
	Store No. 23	Store No. 20	Store No. 25	Store No. 21	Store No. 49	Store No. 48	Store No. 98	Store No. 41	Store No. 40	Store No. 79
Lower Net Sales Third										
Average weekly earnings per employee	$23.95	18.53	16.83	21.49	17.32	17.12	17.96	15.67	21.79	17.35
Average weekly net sales per employee	$493	355	328	480	218	179	332	365	489	377
Average weekly number transactions per employee	121		166					195	212	236
Selling cost per cent	4.9	5.2	5.1	4.5	7.9	9.5	5.4	4.3	4.5	4.6
Average sales check	$4.62		2.09					1.98	2.42	1.66
Average selling cost per sales check	$0.20		0.10					0.08	0.10	0.07
Percentage of returns	12.0	1.1	5.1		3.3	2.1		5.4	5.0	3.6
Middle Net Sales Third										
Average weekly earnings per employee	$27.30	18.15	21.20	23.40	19.31	23.33	17.21	18.42	26.56	18.92
Average weekly net sales per employee	$633	444	558	673	449	633	411	431	625	538
Average weekly number transactions per employee	175		224					226	226	243
Selling cost per cent	4.3	4.1	3.8	3.5	4.3	3.7	4.2	4.3	4.2	3.5
Average sales check	$4.00		2.64					2.03	2.92	2.33
Average selling cost per sales check	$0.16		0.09					0.08	0.12	0.08
Percentage of returns	9.7	1.1	5.5		2.2	1.7		6.1	5.5	5.1
Upper Net Sales Third										
Average weekly earnings per employee	$28.27	19.26	22.74	29.13	23.98	32.51	19.55	20.87	28.49	24.78
Average weekly net sales per employee	$831	641	897	951	536	956	532	512	799	711
Average weekly number transactions per employee	172		456					231	225	294
Selling cost per cent	3.4	3.0	2.5	3.1	4.5	3.4	3.7	4.1	3.6	3.5
Average sales check	$5.29		2.07					2.34	3.71	2.52
Average selling cost per sales check	$0.16		0.05					0.09	0.13	0.08
Percentage of returns	8.9	0.8	5.3		1.9	1.6		5.5	4.4	3.8

TABLE 21

PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 25 HOSIERY DEPARTMENTS

Number of Store	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Straight Salary												
23	6.0	8.3	9.7	16.9	7.8	7.0	8.7	8.2	9.0	8.8	5.2	4.4
24	15.9	6.0	7.6	14.0	5.4	5.5	7.8	7.7	8.0	8.5	7.4	6.2
59	6.9	8.8	12.8	11.4	7.0	4.7	10.1	7.2	8.3	9.6	5.9	7.3
63	11.3	12.9	7.4	9.8	6.8	5.9	7.2	10.0	6.4	9.0	6.5	6.8
71	6.7	9.9	9.7	16.9	6.7	6.3	9.3	7.9	7.1	8.7	5.3	5.5
85	8.9	9.2	9.9	13.9	8.1	8.1	10.0	7.9	7.8	5.6	4.9	5.7
92	5.2	10.1	9.2	18.9	4.0	5.9	6.2	8.9	7.9	9.3	6.7	7.7
93	9.3	8.1	7.8	13.8	6.5	7.4	7.3	6.0	7.2	7.6	5.9	13.1
Salary Plus Commission on All Sales.												
12	5.8	8.8	10.5	16.9	6.6	4.8	8.5	8.5	8.2	9.9	6.1	5.4
21	5.9	6.5	10.1	17.0	6.3	7.7	7.5	7.1	9.5	8.8	7.9	5.7
25	4.7	4.9	8.4	19.7	4.3	6.7	8.6	6.2	9.3	12.2	6.3	8.7
30	5.2	7.8	9.6	21.3	6.9	8.1	8.0	7.4	8.2	8.4	5.2	3.9
54	7.3	8.6	10.0	15.2	6.5	7.1	10.7	7.2	7.2	8.5	6.1	5.6
70	6.4	8.4	7.5	17.7	6.3	5.9	6.9	7.2	8.0	9.9	8.1	7.7
72	7.2	7.4	9.3	20.0	6.2	6.3	8.2	8.5	7.8	7.2	5.5	6.4
Quota-Bonus												
40	7.9	8.8	7.7	12.1	6.8	5.8	8.9	7.6	9.5	9.5	7.8	7.6
41	6.5	8.0	7.3	18.8	5.3	6.9	7.2	8.2	9.5	8.3	6.8	7.2
48	9.4	9.5	7.7	15.4	6.1	7.2	7.6	8.9	7.8	8.4	7.9	4.2
49	8.3	6.6	7.7	18.2	5.7	6.4	8.7	6.8	7.2	9.9	6.0	8.5
66	5.7	10.6	8.4	18.1	8.7	6.0	8.7	6.6	8.2	7.9	6.7	4.4
76	8.0	10.7	8.7	15.1	4.9	5.4	7.4	7.4	11.5	8.5	5.4	7.0
79	6.6	11.0	7.5	12.1	6.6	9.1	8.4	8.6	13.3	5.7	5.8	5.3
81	7.1	13.1	11.8	12.3	6.8	8.2	7.8	7.2	7.8	5.4	6.2	6.3
98	6.4	8.8	11.1	14.5	7.7	6.7	9.9	7.3	8.0	6.5	5.9	7.2
99	7.5	12.9	8.3	14.6	5.6	5.6	7.5	10.1	10.5	7.2	6.5	3.7

TABLE 22

AMOUNT AND PERCENTAGE OF AVERAGE WEEKLY EARNINGS FROM BONUS AND COMMISSION IN READY-TO-WEAR DEPARTMENTS

Store Number		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Salary Plus Commission													
02	Amount...	$ 3.13	3.49	2.90	3.01	2.39	2.29	2.48	3.23	3.34	3.40	3.11	3.13
	Per Cent..	14.0	15.4	13.2	13.4	11.4	10.7	11.4	13.9	14.8	14.9	12.8	14.1
12	Amount...	$ 2.80	3.15	2.85	2.92	1.76	2.02	3.13	3.67	2.85	2.81	1.68	2.65
	Per Cent..	11.3	13.1	11.6	12.0	8.0	8.7	12.6	14.2	11.4	11.9	7.4	11.5
20	Amount...	$ 1.98	2.53	2.87	2.32	2.20	2.13	2.47	3.89	3.15	3.01	.....	2.07
	Per Cent..	10.7	13.4	14.7	12.1	11.6	11.3	12.5	18.0	15.5	14.0	.....	9.0
21	Amount...	$ 8.97	11.13	12.67	10.73	11.22	9.15	6.39	7.31	8.22	6.98	3.56	4.11
	Per Cent..	28.2	32.1	35.7	32.1	33.0	27.9	21.9	24.7	27.3	23.7	13.7	15.7
25	Amount...	$ 3.64	4.31	4.42	3.83	3.72	3.03	3.08	4.35	3.94	4.42	3.48	3.35
	Per Cent..	13.6	16.0	16.6	14.8	14.2	11.8	12.1	16.1	14.7	15.9	11.0	10.9
54	Amount...	$ 5.11	5.67	5.36	3.96	4.32	4.20	4.30	4.00	5.07	6.33	3.91	4.32
	Per Cent..	19.7	23.1	21.1	16.1	15.1	15.0	17.9	20.1	19.9	22.6	16.7	17.0
59	Amount...	$12.12	12.20	10.46	9.38	8.88	6.23	11.00	11.36	11.27	9.21	6.22	6.09
	Per Cent..	42.2	42.7	40.0	37.0	35.9	28.0	41.5	42.5	42.4	38.7	28.0	29.0
70	Amount...	$ 1.84	3.22	2.92	2.93	2.69	1.85	3.24	2.23	2.29	2.19	1.63	2.47
	Per Cent..	8.3	13.7	12.6	11.9	11.0	7.7	12.9	9.2	9.6	9.5	7.5	10.6
72	Amount...	$ 3.20	3.90	4.25	3.99	2.08	1.91	3.31	2.49	2.26	1.92	1.49	2.70
	Per Cent..	14.0	16.6	18.6	17.3	10.1	9.4	15.4	12.1	11.1	10.1	7.3	12.6
92	Amount...	$ 3.08	3.83	3.75	3.85	5.12	3.52	3.68	3.92	4.49	4.25	2.74	3.95
	Per Cent..	16.0	19.0	18.9	16.0	23.4	17.1	17.9	18.8	20.8	18.4	13.7	19.3
Quota-Bonus													
15	Amount...	$ .42	.78	.....	2.99	1.05	.96	.....	.95	1.33	1.44	.92	.....
	Per Cent..	1.8	4.3	.....	13.2	5.3	4.9	.....	4.9	6.6	7.5	4.2	.....
30	Amount...	$21.54	25.97	24.13	26.32	19.68	18.76	25.55	26.12	24.27	24.06	13.99	24.33
	Per Cent..	83.0	89.9	81.8	77.9	69.3	70.1	79.2	79.5	80.8	80.3	68.6	72.9
40	Amount...	$14.72	15.50	5.31	8.23	4.42	2.33	7.52	7.09	6.06	4.68	.83	4.13
	Per Cent..	34.6	35.6	15.9	22.3	14.0	7.7	21.2	20.5	18.0	14.7	2.5	10.9
41	Amount...	$ 6.99	5.48	3.55	1.88	.83	.74	7.60	2.80	.56	1.35	.15	8.92
	Per Cent..	22.9	17.8	12.2	7.0	3.3	3.1	23.5	11.0	2.4	5.9	0.7	24.8
48	Amount...	$ 9.90	17.23	13.86	10.28	5.41	2.88	6.27	4.37	4.28	4.93	2.31	6.14
	Per Cent..	36.1	49.9	44.8	36.7	22.9	13.5	25.9	19.2	19.8	21.7	11.3	25.4
49	Amount...	$ 5.37	14.43	12.80	9.97	3.44	.57	3.46	6.53	2.23	1.60	.77	.21
	Per Cent..	18.3	37.1	34.3	30.5	13.2	2.4	13.1	21.7	8.6	6.1	3.1	0.9
57	Amount...	.....	16.49	6.75	4.88	.67	.....	10.67	3.97	.....	.....	.....	.....
	Per Cent..	.....	43.6	22.6	14.9	2.6	.....	30.6	14.1	.....	.....	.....	.....
65	Amount...	$ 4.82	4.56	5.03	7.62	2.35	.16	1.21	3.15	3.78	3.56	2.28	5.20
	Per Cent..	23.8	22.5	24.8	32.8	11.6	0.8	6.1	16.5	18.3	17.3	12.1	22.4
66	Amount...	$ 1.17	.90	1.49	.....	.03	.....	.....	1.28	.....	.11	1.08	.....
	Per Cent..	5.3	4.4	5.7	.....	0.1	.....	.....	5.1	.....	0.6	4.7	.....
76	Amount...	$ 6.11	14.72	12.36	13.44	3.75	1.98	13.15	3.97	9.69	.74	.48	15.08
	Per Cent..	19.7	39.9	32.0	38.9	14.5	7.9	34.9	13.9	29.7	3.3	2.1	37.5
79	Amount...	$ 2.73	4.28	5.69	3.58	3.57	1.25	1.78	1.17	.82	1.45	.55	1.31
	Per Cent..	9.2	14.7	18.0	11.6	11.3	4.4	6.3	3.8	2.8	4.9	2.3	5.0
81	Amount...	.....	.....	1.44	.....	.....	.....	.....	.....	10.13	.....	.....	.....
	Per Cent..	.....	.....	4.7	.....	.....	.....	.....	.....	28.3	.....	.....	.....
85	Amount...	.....	.....	.....	.....	27.64	.....	.....	.....	.....	.....	2.79	.....
	Per Cent..	.....	.....	.....	.....	58.9	.....	.....	.....	.....	.....	11.8	.....
93	Amount...	$ 5.31	5.47	2.20	3.96	4.03	1.24	1.11	2.47	1.82	1.93	1.57	3.80
	Per Cent..	22.2	22.3	10.5	17.4	17.6	6.1	5.5	11.2	8.9	9.2	7.6	17.0
98	Amount...	$ 3.85	5.54	2.27	4.32	2.27	1.29	2.40	2.57	1.82	2.34	1.04	.62
	Per Cent..	16.3	22.0	10.4	18.2	10.4	6.2	11.0	11.6	8.7	11.1	5.2	3.2
99	Amount...	$ 2.31	10.06	5.51	8.10	6.52	.....	9.92	.....	.....	23.30	.....	.....
	Per Cent..	11.2	35.5	22.5	29.9	26.3	.....	35.3	.....	.....	55.0	.....	.....

TABLE 23

Women's and Misses' Ready-to-Wear
Average Weekly Earnings per Full-Time Employee

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	$22.37	$22.68	$21.97	$22.47	$20.99	$21.40	$21.76	$23.24	$22.59	$22.79	$24.30	$22.19
12	24.82	24.02	24.56	24.35	21.97	23.25	24.85	25.84	25.02	23.64	22.73	23.06
15	23.59	18.21		22.66	19.80	19.51	18.28	19.36	20.19	19.20	21.91	20.92
20	18.54	18.87	19.56	19.15	19.01	18.87	19.73	21.59	20.30	21.49		23.02
21	31.82	34.68	35.50	33.44	33.99	32.79	29.15	29.61	30.11	20.43	25.98	26.20
23	30.32	29.63	30.41	28.56	29.57	20.61	30.21	30.38	30.22	30.27	30.81	29.80
24	22.50	23.04	23.56	27.24	24.22	23.20	21.21	22.98	23.14	23.13	27.12	29.51
25	26.77	26.94	26.60	25.89	26.17	25.67	25.41	27.05	26.81	27.79	31.61	30.76
30	25.95	28.89	29.50	33.79	28.40	26.76	32.26	32.85	30.04	29.96	20.39	33.37
40	42.55	43.55	33.39	36.91	31.56	30.20	25.47	34.60	33.68	31.83	33.02	37.93
41	30.52	30.79	29.06	26.92	25.01	23.91	32.33	25.43	23.17	22.94	21.57	35.96
48	27.41	34.54	30.93	28.01	23.63	21.31	24.21	22.74	21.63	22.73	20.46	24.16
49	29.32	38.89	37.32	32.70	26.04	23.67	26.45	30.09	25.95	26.24	24.83	23.19
54	25.93	24.53	25.41	24.60	28.62	28.04	24.02	19.91	25.48	28.01	23.42	25.43
57		37.82	29.86	32.78	25.78	23.95	34.86	28.16				
59	28.72	28.56	26.15	25.35	24.75	22.25	26.50	26.72	26.59	23.80	22.22	20.98
63	21.86	22.95	23.57	22.37	22.56	22.87	22.68	21.99	21.57	21.79	21.02	21.62
65	20.25	20.26	20.30	23.24	20.29	19.69	19.78	19.09	20.64	20.55	18.88	23.23
66	22.05	20.52	26.22	22.13	25.71	19.75	17.87	25.18	18.79	18.57	22.86	17.66
70	22.21	23.52	23.15	24.64	24.45	24.04	25.11	24.25	23.91	23.09	21.77	23.32
71	27.82	26.29	32.46	26.09	27.04	26.30	27.23	26.94	25.34	25.52	28.31	31.87
72	22.84	23.51	22.86	23.09	20.61	20.32	21.48	20.54	20.35	19.00	20.42	21.46
76	30.99	36.90	38.61	34.55	25.83	25.10	37.67	28.55	32.63	22.25	23.00	40.22
77	27.29	21.81	28.67	22.02	27.60	25.69	27.52	25.96	29.68			
79	29.65	29.10	31.60	30.88	31.56	28.35	28.28	30.83	29.40	29.61	24.13	26.13
81	21.81	21.24	30.59	21.73	22.37	22.66	26.56	20.89	35.81	22.08	20.56	22.84
85	20.54	19.26	19.90	19.88	46.93	21.42	20.38	20.76	19.76	21.93	23.66	18.14
92	19.23	20.17	19.86	24.03	21.89	20.58	20.57	20.85	21.58	23.09	20.01	20.48
93	23.92	24.53	20.93	22.74	22.90	20.36	20.11	22.02	20.40	20.95	20.63	22.38
98	23.65	25.16	21.79	23.72	21.78	20.76	21.84	22.13	20.95	21.04	19.93	19.24
99	20.61	28.32	24.48	27.08	24.81	18.71	28.11	18.56	18.18	42.37	18.29	18.16

TABLE 24

WOMEN'S AND MISSES' READY-TO-WEAR
AVERAGE WEEKLY NET SALES PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	$ 522	$ 581	$ 484	$470	$ 399	$382	$414	$538	$557	$566	$475	$ 523
12	566	666	583	570	351	406	628	732	568	562	334	529
15	520	479		455	337	391	328	382	399	326	258	328
20	535	500	486	425	424	395	659	789	657	573		453
21	885	1,082	1,060	989	1,021	872	796	901	907	836	468	509
23	808	930	915	870	774	685	900	866	811	761	432	505
24	884	789	769	674	677	564	587	804	697	729	572	687
25	747	881	889	734	649	770	722	780	739	817	604	547
30	646	813	730	815	668	647	851	870	733	734	445	1,013
40	1,013	1,028	720	843	700	559	867	813	725	640	557	1,040
41	517	710	639	588	537	508	829	641	544	553	398	777
48	700	708	681	585	594	503	637	606	544	550	439	591
49	933	858	811	699	516	418	672	636	549	483	346	485
54	540	567	540	420	433	421	430	399	508	622	391	432
57		947	723	820	611	541	975	704				
59	697	691	608	572	467	428	599	611	618	555	411	501
63	569	613	467	505	358	432	390	447	438	443	378	439
65	428	476	456	498	289	366	459	364	357	363	211	383
66	541	533	428	436	335	382	477	483	454	407	354	388
70	355	654	599	621	545	368	640	429	435	424	309	489
71	913	862	810	729	571	371	767	547	514	501	442	652
72	532	644	705	541	400	390	575	463	411	402	322	518
76	617	934	791	847	569	485	881	601	793	381	280	919
77	796	562	495	629	451	393	632	577	456			
79	833	981	904	753	765	630	704	681	675	550	405	602
81	475	821	598	430	437	487	556	349	443	301	317	317
85	514	560	579	730	486	506	467	485	351	361	375	456
92	422	541	470	695	502	398	553	474	567	522	399	568
93	550	566	415	462	432	356	372	492	478	449	419	494
98	531	623	505	556	506	491	522	513	478	473	415	397
99	554	793	676	741	686	615	668	664	787	642	542	615

TABLE 25

WOMEN'S AND MISSES' READY-TO-WEAR
AVERAGE WEEKLY NUMBER OF TRANSACTIONS PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	31	28	23	29	23	24	25	35	36	47	49	47
15	52	35		43	39	19	27	29	37	35	34	33
20			43	62	39	38	58	64	54	68		65
21							42	47	53	61	40	36
23	18	19	20		18	19	23	24	25	27	18	18
24	27	20	19	22	20	20	18	29	28	31	29	32
25	38	42	38	47	40	36	48	46	50	64	56	52
30	25	24	22	28	24	25	34	35	35	42	30	22
40	17	16	14	17	17	13	17	19	20	20	21	19
41	24	28	24	31	28	26	35	31	33	42	35	35
48										24	19	19
49												
54		35	28	36	33	30	47	39				
57												
59	40	43	41	51	40	36	44	43	49	60	51	40
63	22	22	19	31	22	25	21	30	31	34	33	22
65	15	15	14	18	12	11	17	15	17	22	15	21
66	15	15	13	15	11	13	17	20	22	28	22	14
70	36	35	31	47	38	27	40	35	46	57	47	42
71	21	26	25	39	23	20	32	30	34	42	30	26
72					22	21	30	28	35	39	28	32
76	15	17	17	20	16	11	26	18	21	15	12	16
79	28	32	27	44	37	25	34	27	34	35	28	25
85	21	21	20	24	19	17	22	23	21	25	30	22
98		36		47	35				40	49	36	36
99			43	46	53	40	51	38	65	51	41	57

TABLE 26

WOMEN'S AND MISSES' READY-TO-WEAR
SELLING COST PER CENT OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	4.3	3.9	4.5	4.8	5.3	5.6	5.3	4.3	4.1	4.0	5.1	4.2
12	4.4	3.6	4.2	4.3	6.3	5.7	4.0	3.5	4.4	4.2	6.8	4.4
15	4.5	3.8		5.0	5.9	10.2	5.6	5.1	5.1	5.9	8.5	6.4
20	3.5	3.8	4.0	4.5	4.5	4.8	3.0	2.7	3.1	3.8		5.1
21	3.6	3.2	3.3	3.4	3.3	3.8	3.7	3.3	3.3	3.5	5.5	5.2
23	3.8	3.2	3.3	3.3	3.8	4.3	3.4	3.5	3.7	4.0	7.1	5.9
24	2.5	2.9	3.1	4.0	3.6	4.1	3.6	2.9	3.3	3.2	4.7	4.1
25	3.6	3.1	3.0	3.5	4.0	3.3	3.5	3.5	3.6	3.4	5.2	5.6
30	4.0	3.6	4.0	4.1	4.3	4.1	3.8	3.8	4.1	4.1	4.6	3.3
40	4.2	4.2	4.7	4.4	4.5	5.4	4.1	4.3	4.6	5.0	5.9	3.6
41	5.9	4.3	4.4	4.6	4.7	4.7	3.9	4.0	4.3	4.1	5.4	4.6
48	3.9	4.9	4.5	4.8	4.0	4.2	3.8	3.8	4.0	4.1	4.7	4.1
49	3.1	4.5	4.6	4.7	5.0	5.7	3.9	4.7	4.7	5.4	7.2	4.8
54	4.8	4.3	4.7	5.9	6.6	6.7	5.6	5.0	5.0	4.5	6.0	5.9
57		4.0	4.1	4.0	4.2	4.4	3.6	4.0				
59	4.1	4.1	4.3	4.4	5.3	5.2	4.4	4.4	4.3	4.3	5.4	4.2
63	3.8	3.7	5.1	4.4	6.3	5.3	5.8	4.9	4.9	4.9	5.6	4.9
65	4.7	4.3	4.5	4.7	7.0	7.4	4.3	5.2	5.8	5.7	8.9	6.1
66	4.1	3.8	6.1	5.1	7.7	5.2	3.7	5.2	4.1	4.6	6.5	4.6
70	6.3	3.6	3.9	4.0	4.5	6.5	3.9	5.7	5.5	5.4	7.1	4.8
71	3.0	3.0	4.0	3.6	4.7	7.1	3.6	4.9	4.9	4.3	6.4	4.9
72	4.3	3.6	3.2	4.3	5.2	5.2	3.7	4.4	5.0	4.7	6.3	4.1
76	5.0	4.0	4.9	4.1	4.5	5.2	4.3	4.7	4.1	5.8	8.2	4.4
77	3.4	3.9	5.8	3.5	6.1	6.5	4.4	4.5	6.5			
79	3.6	3.0	3.5	4.1	4.1	4.5	3.6	4.5	4.4	5.4	6.0	4.3
81	4.6	2.6	5.1	5.1	5.1	4.7	4.8	6.0	8.1	7.3	6.5	7.2
85	4.0	3.4	3.5	2.7	9.7	4.2	4.4	4.3	5.6	6.1	6.3	4.0
92	4.6	3.7	4.2	3.5	4.4	5.2	3.7	4.4	3.8	4.4	5.0	3.6
93	4.4	4.3	5.0	4.9	5.3	5.7	5.4	4.5	4.3	4.7	4.9	4.5
98	4.5	4.0	4.3	4.3	4.3	4.2	4.2	4.3	4.4	4.4	4.8	4.8
99	3.7	3.6	3.6	3.7	3.6	3.0	4.2	2.8	2.3	6.6	3.4	3.0

TABLE 27

WOMEN'S AND MISSES' READY-TO-WEAR
AVERAGE SALES CHECK OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	$16.75	$20.55	$21.02	$15.94	$16.97	$15.64	$16.64	$15.20	$15.34	$11.95	$ 9.72	$11.16
15	10.06	13.85		10.67	8.66	9.80	12.24	13.18	10.90	9.31	7.56	10.05
20			11.84	7.21	11.44	11.10	11.72	13.02	12.83	8.97		7.34
21										21.05		
23	54.23	64.15	62.47		54.82	49.90	49.77	40.35	45.40	38.58	33.97	34.30
24	36.12	44.11	44.72	34.39	37.18	31.73	36.57	30.66	27.92	26.20	21.09	23.88
25	23.70	26.95	30.87	19.63	21.59	28.14	20.44	22.98	20.88	18.00	15.08	14.54
30	29.23	38.72	38.00	33.22	32.05	29.33	29.10	27.61	24.04	20.44	17.35	30.49
40	69.09	82.31	67.90	58.14	50.40	52.34	60.60	51.35	45.68	40.06	32.72	62.39
41	23.66	29.54	32.18	21.12	21.59	21.46	26.95	23.14	18.77	15.09	13.05	23.70
48										24.29	21.13	27.26
49												
54		35.65	33.64	32.59	23.08	22.98	25.82	24.78				
57												
59	17.23	16.16	14.80	11.30	11.63	11.78	13.60	14.09	12.66	9.23	8.05	12.38
63	31.53	32.57	30.60	18.41	19.13	20.56	23.15	18.13	16.69	15.20	13.30	22.73
65	29.36	33.24	32.39	28.31	24.38	25.45	28.16	25.92	21.95	18.02	14.55	18.44
66	38.08	38.38	38.77	33.25	33.51	32.38	30.92	26.67	23.91	16.20	17.76	29.09
70	11.79	23.71	26.30	16.21	18.23	16.99	19.65	15.85	12.11	9.30	8.28	13.36
71	58.80	49.77	49.67	28.20	36.75	31.03	33.09	28.69	22.09	19.67	20.82	30.86
72					23.19	22.20	22.98	20.89	15.93	12.70	13.02	18.34
76	48.97	60.56	53.58	47.62	42.30	47.51	38.48	40.54	43.25	30.22	26.06	58.81
79	30.67	40.88	44.67	23.54	27.80	33.51	31.16	34.98	27.39	21.26	18.56	28.80
85	28.84	32.16	35.22	33.96	30.40	34.39	26.61	26.26	20.63	16.98	14.59	23.26
98		21.99		15.18	18.20				15.64	12.15	14.07	13.64
99			15.66	15.94	12.84	15.22	13.10	17.63	12.06	12.50	13.19	10.87

TABLE 28

Women's and Misses' Ready-to-Wear
Average Cost per Sales Check of Full-Time Employees

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	$ .72	$ .80	$ .95	$ .76	$ .89	$ .88	$ .88	$ .66	$ .62	$ .48	$ .50	$ .47
15	.46	.53		.53	.51	1.00	.68	.67	.55	.55	.64	.64
20			.46	.31	.49	.49	.34	.34	.38	.32		.35
21							.70	.63	.56	.48	.65	.73
23	1.70	1.57	1.55		1.61	1.58	1.30	1.25	1.21	1.11	1.72	1.62
24	.85	1.18	1.26	1.27	1.20	1.18	1.18	.79	.83	.74	.92	.88
25	.71	.64	.70	.55	.65	.72	.53	.59	.54	.43	.56	.60
30	1.03	1.21	1.31	1.22	1.20	1.08	.96	.93	.86	.71	.68	1.53
40	2.51	2.80	2.47	2.16	1.90	2.28	2.11	1.79	1.71	1.63	1.60	2.01
41	1.25	1.10	1.24	.87	.90	.90	.92	.82	.69	.54	.61	1.01
49										1.11	1.34	1.19
57		1.08	1.05	.90	.78	.80	.75	.72				
59	.71	.67	.64	.50	.62	.61	.60	.62	.54	.40	.43	.52
63	1.00	1.03	1.23	.71	1.01	.90	1.08	.73	.70	.64	.64	.98
65	1.36	1.35	1.40	1.26	1.66	1.77	1.15	1.27	1.19	.95	1.23	1.08
66	1.47	1.34	2.05	1.52	2.27	1.52	1.05	1.26	.87	.66	1.04	1.25
70	.62	.68	.74	.52	.65	.88	.62	.70	.52	.40	.47	.55
71	1.32	1.02	1.29	.68	1.20	1.33	.86	.91	.74	.60	.93	1.21
72					.93	.95	.72	.74	.63	.49	.72	.68
76	2.04	2.14	2.23	1.71	1.66	2.24	1.45	1.63	1.55	1.50	1.95	2.46
79	1.06	.90	1.15	.70	.86	1.11	.84	1.14	.88	.85	.85	1.03
85	.98	.92	1.01	.82	2.50	1.26	.91	.92	.94	.88	.78	.83
98		.69		.50	.62				.52	.43	.55	.53
99			.57	.58	.46	.46	.55	.49	.28	.82	.45	.32

TABLE 29

Women's and Misses' Ready-to-Wear
Average Percentage of Returns on Gross Sales of Full-Time Employees

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
20	3.0	4.9	4.2	4.1	4.3	6.8	3.8	5.2	5.0	6.1		5.2
23	16.6	23.2	25.2	19.9	23.2	26.8	21.9	28.1	28.5	27.7	28.9	20.1
24	7.9	8.5	8.0	9.0	9.9	9.9	11.0	9.7	10.6	11.2	11.2	9.8
25	16.6	22.3	24.5	20.3	25.2	23.2	26.8	26.3	28.4	29.5	28.9	27.1
30	12.4	12.2	14.5	11.5	11.6	10.8	13.0	10.5	12.4	14.5	14.8	7.7
40	13.5	19.7	22.7	15.2	16.5	19.3	14.9	18.2	19.4	18.4	17.3	11.6
41	10.2	14.1	12.9	10.1	10.9	10.5	12.7	10.6	13.5	13.7	13.4	7.6
48	15.6	31.7	23.8	19.0	18.1	19.2	18.1	21.3	19.0	18.1	17.9	11.8
49	8.9	16.9	16.0	14.6	16.3	15.9	13.4	15.3	15.3	15.7	11.9	8.7
54	8.9	9.0	10.0	9.1	11.6	18.8	11.9	6.5	10.4	10.4	10.7	7.5
57		24.0	24.2	30.7	20.3	20.9	19.0	27.3				
63	17.8	15.5	20.4	12.9	16.6	17.3	19.7	18.5	14.5	14.0	13.6	12.3
65	1.8	4.7	2.9	4.7	2.9	6.3	5.0	6.9	6.6	6.8	5.5	3.4
66	5.4	9.3	13.8	10.2	11.8	9.2	9.2	9.3	12.5	11.0	9.0	6.0
70	15.8	20.5	26.9	19.4	21.1	21.0	19.4	21.8	22.0	20.2	19.9	13.5
71	22.6	33.1	35.0	32.8	31.2	39.7	26.9	35.7	32.1	28.9	30.1	19.8
72	13.7	17.9	23.2	23.9	21.8	18.1	15.6	20.0	20.6	18.6	12.8	10.6
76	17.2	10.4	14.5	11.9	13.6	9.1	12.0	15.5	12.8	15.2	8.8	4.5
77	6.7	8.9	9.2	5.9	16.2	8.8	9.0	9.2	11.2			
79	25.1	26.0	26.2	27.9	25.0	26.1	24.5	28.3	26.6	25.7	22.7	17.2
81	7.0	4.9	7.1	8.0	4.8	3.5	4.9	6.6	5.4	4.8	10.8	6.4
85	15.3	16.9	16.6	11.5	14.9	13.6	21.5	18.1	19.5	15.1	15.6	10.2
92	6.4	8.4	5.1	4.2	6.4	3.9	7.8	5.1	5.8	5.0	5.7	5.1
98		22.3	25.9	22.2	20.8		24.3	23.9	24.1	20.1	18.4	20 2

TABLE 30

Compensation and Sales of Full-Time Employees
Women's Ready-to-Wear Departments with Annual Net Sales of Less Than $360,000

	Straight Salary		Salary Plus Commission on All Sales			Quota-Bonus						
	Store No. 63	Store No. 77	Store No. 02	Store No. 54	Store No. 59	Store No. 15	Store No. 57	Store No. 65	Store No. 76	Store No. 81	Store No. 85	Store No. 99
Lower Earnings Third												
Average weekly earnings per employee	$15.87	17.44	19.03	21.08	18.89	15.48	24.80	15.66	18.57	21.34	16.60	19.69
Average weekly net sales per employee	$309	387	426	270	412	246	630	322	353	437	268	511
Average weekly number transactions per employee	32		31		77	36	38	14	28		25	53*
Selling cost per cent	5.1	4.5	4.5	7.6	4.6	6.3	3.9	4.9	5.3	4.9	6.5	3.9
Average sales check	$1.61		13.89†		5.39	6.80	22.43	23.59	21.99		8.69	9.95†
Average selling cost per sales check	$0.49		0.62		0.25	0.43	0.05	1.09	1.03		0.47	0.38*
Percentage of returns	3.1	10.3		7.7			26.3	5.0	10.9	7.1	11.8	
Middle Earnings Third												
Average weekly earnings per employee	$19.75	23.89	22.19	23.70	26.43	19.49	30.55	18.08	30.15	23.83	20.37	23.26
Average weekly net sales per employee	$486	458	499	473	560	317	756	314	659	483	441	620
Average weekly number transactions per employee	27	31	31		34	37	33	14	27		16	48
Selling cost per cent	4.1	5.2	4.4	5.0	4.7	6.2	4.0	5.8	4.6	4.9	4.0	3.8
Average sales check	$1.41		16.23		16.54	8.56	29.32	23.15	43.83		27.11	13.06*
Average selling cost per sales check	$0.44		0.72		0.78	0.53	0.01	1.27	1.78		1.06	0.49*
Percentage of returns	16.4	9.1		9.0			22.5	5.1	11.1	6.1	15.2	
Upper Earnings Third												
Average weekly earnings per employee	$28.30	36.55	29.99	29.38	30.14	23.61	30.95	25.49	43.93	26.93	26.80	27.00
Average weekly net sales per employee	$550	813	625	622	765	462	918	476	961	510	611	819
Selling cost per cent	5.1	4.5	4.8	4.7	3.9	5.1	4.0	5.1	4.7	5.3	4.9	4.6
Average sales check	$2.82		14.85		21.28	15.11	34.54	26.38	64.69		37.82	33.3
Average selling cost per sales check	$1.39		0.71		0.84	0.77	1.07	1.36	2.53		1.38	17.2*
Percentage of returns	17.8	8.8		12.0			22.6	4.7	12.6	4.8	16.9	0.37*

* November to August.

TABLE 31

Compensation and Sales of Full-Time Employees
Women's Ready-to-Wear Departments with Annual Net Sales of $360,000 and Under $840,000

	Straight Salary	Salary Plus Commission on All Sales				Quota-Bonus				
	Store No. 71	Store No. 12	Store No. 20	Store No. 72	Store No. 92	Store No. 41	Store No. 48	Store No. 49	Store No. 66	Store No. 93
Lower Earnings Third										
Average weekly earnings per employee	$22.40	17.25	16.46	17.95	14.33	18.62	18.47	23.65	16.31	17.98
Average weekly net sales per employee	$586	377	350	345	230	383	421	503	337	398
Average weekly number transactions per employee	34		64[a]	33[b]		35			22	
Selling cost per cent	3.8	4.6	4.7	5.2	6.2	4.9	4.4	4.7	4.8	4.5
Average sales check	$24.85		5.83[a]	12.13[c]		12.35			17.21	
Average selling cost per sales check	$0.65		0.26[a]	0.53		0.53			0.74	
Percentage of returns	31.4		5.5	16.2[c]	5.5	12.4	16.8	14.4	11.3	
Middle Earnings Third										
Average weekly earnings per employee	$25.93	24.61	20.05	20.61	19.42	26.17	25.15	30.59	20.90	20.35
Average weekly net sales per employee	$618	556	524	466	375	608	589	655	470	385
Average weekly number transactions per employee	28		54[a]	28[b]		30			17	
Selling cost per cent	4.2	4.4	3.8	4.4	5.2	4.3	4.3	4.7	4.4	5.3
Average sales check	$31.19		10.46[a]	18.66[b]		23.13			31.57	
Average selling cost per sales check	$0.93		0.38[a]	0.71[b]		0.89			1.26	
Percentage of returns	28.7		4.7	18.0	6.3	11.1	21.6	14.1	9.9	
Upper Earnings Third										
Average weekly earnings per employee	$32.32	29.62	23.80	25.98	23.32	35.99	30.83	34.09	28.13	27.17
Average weekly net sales per employee	$693	694	771	691	648	762	757	753	529	617
Average weekly number transactions per employee	20		43[a]	22[b]		28			12	
Selling cost per cent	4.7	4.3	3.1	3.8	3.6	4.7	4.1	4.5	5.3	4.4
Average sales check	$34.70		17.60[a]	31.10[b]		31.31			40.49	
Average selling cost per sales check	$1.11		0.56[a]	1.12[b]		1.31			2.27	
Percentage of returns	31.6		4.3	20.4	5.7	11.7	20.2	14.5	8.3	

[a] November to August. [b] January to August.

TABLE 32

Compensation and Sales of Full-Time Employees
Women's Ready-to-Wear Departments with Annual Net Sales of $840,000 and Over

	Straight Salary		Salary Plus Commission on All Sales			Quota-Bonus			Straight Commission
	Store No. 23	Store No. 24	Store No. 21	Store No. 25	Store No. 70	Store No. 40	Store No. 79	Store No. 98	Store No. 30
Lower Earnings Third									
Average weekly earnings per employee	$23.85	17.81	23.24	21.43	18.20	25.82	15.92	17.68	17.11
Average weekly net sales per employee	$677	513	544	502	405	531	441	322	381
Average weekly number transactions per employee	34	30	45[a]	49	56	27	45	56[b]	27
Selling cost per cent	3.5	3.5	4.3	3.6	4.5	4.9	3.6	5.5	4.5
Average sales check	$20.62	19.13	13.08[a]	17.12	8.94	38.50	12.11	7.41[b]	16.44
Average selling cost per sales check	$0.70	0.59	0.52[a]	0.44	0.33	1.49	0.35	0.31[b]	0.64
Percentage of returns	25.1	11.2		28.7	18.8	20.6	19.8	22.3[c]	13.0
Middle Earnings Third									
Average weekly earnings per employee	$29.03	22.43	27.58	26.24	22.43	32.75	21.26	20.87	21.62
Average weekly net sales per employee	$801	602	768	744	388	747	635	484	514
Average weekly number transactions per employee	22	22	49[a]	53	31	18	33	27[b]	27
Selling cost per cent	3.6	3.7	3.6	3.5	5.8	4.4	3.3	4.3	4.2
Average sales check	$47.29	30.70	17.33[a]	18.46	15.46	50.15	24.13	22.51[b]	21.72
Average selling cost per sales check	$1.30	1.02	0.56[a]	0.49	0.71	1.83	0.65	0.77[b]	0.80
Percentage of returns	24.4	11.0		24.4	20.4	16.9	20.2	23.0[c]	12.6
Upper Earnings Third									
Average weekly earnings per employee	$36.28	27.26	36.63	32.72	32.00	43.91	37.49	24.04	34.43
Average weekly net sales per employee	$845	870	1,061	866	747	1,011	852	613	902
Average weekly number transactions per employee	21	24	47[a]	38	34	17	26	43[b]	30
Selling cost per cent	4.3	3.1	3.5	3.8	4.3	4.3	4.4	4.1	3.8
Average sales check	$53.21	39.96	20.58[a]	30.08	28.05	71.95	45.77	17.98[b]	34.11
Average selling cost per sales check	$1.75	1.15	0.70[a]	0.87	0.94	2.62	1.45	0.58[b]	1.15
Percentage of returns	23.6	8.4		23.7	22.1	16.2	28.1	21.9[c]	11.8

[a] March to August. [b] October, December and January, May to August. [c] October to January, March to August.

TABLE 33

MEDIANS AND RANGE OF SELLING COST 31 WOMEN'S READY-TO-WEAR DEPARTMENTS

(Full-Time Employees)

Firm Number	Arithmetic Average	Median	Minimum	Maximum
02	4.5	4.7	3.8	5.2
12	4.4	4.4	3.0	6.1
15	5.6	6.0	3.7	21.7
20	3.7	4.4	1.2	21.8
21	3.6	3.9	2.5	81.1
23	3.8	3.8	1.6	16.1
24	3.4	3.5	1.1	7.9
25	3.6	4.0	1.4	18.3
30	3.9	4.2	2.3	9.2
40	4.4	4.5	2.9	7.1
41	4.6	4.7	3.7	8.7
48	4.2	4.1	3.2	6.8
49	4.6	4.8	3.7	11.6
54	5.3	5.7	4.2	9.5
57	4.0	4.0	3.9	4.1
59	4.4	4.5	3.7	6.5
63	4.8	4.7	2.6	7.9
65	5.4	5.1	4.7	7.1
66	4.8	4.8	2.5	17.8
70	4.8	4.9	2.6	13.6
71	4.3	4.3	2.4	8.6
72	4.2	4.7	2.6	54.6
76	4.6	4.8	4.2	11.2
77	4.7	4.5	3.9	7.1
79	4.0	3.8	2.7	15.1
81	5.1	5.1	4.2	5.6
85	4.6	4.7	2.5	8.0
92	4.1	5.1	3.3	9.6
93	4.8	4.7	2.6	7.4
98	4.4	4.5	3.4	14.2
99	3.6	3.8	2.4	4.4

TABLE 34

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES

WOMEN'S READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $360,000

	Straight Salary		Salary Plus Commission on All Sales				Quota-Bonus							
	Store No. 63	Store No. 77	Store No. 02	Store No. 54	Store No. 59	Store No. 15	Store No. 57	Store No. 65	Store No. 76	Store No. 81	Store No. 85	Store No. 99
Lower Net Sales Third												
Average weekly earnings per employee	$17.69	20.20	20.17	21.29	18.99	18.20	24.80	17.00	17.25	21.34	18.37	19.95
Average weekly net sales per employee	$315	373	401	393	396	184	630	241	296	437	267	497
Average weekly number transactions per employee	20		28		77	50	38	11	19		34	
Selling cost per cent	5.6	5.4	5.0	7.3	4.8	9.9	3.9	7.0	5.8	4.9	6.9	4.0
Average sales check	$3.81		14.20*		5.12*	3.66	22.43	21.71	17.75		9.09	
Average selling cost per sales check	$0.21		0.72		0.25	0.36	0.65	1.52	0.93		0.54	
Percentage of returns	15.7	9.5		8.2			26.3	5.2	9.8	7.1	12.0	
Middle Net Sales Third												
Average weekly earnings per employee	$22.42	22.74	21.22	25.08	26.17	17.36	30.55	16.99	26.44	25.89	20.27	23.83
Average weekly net sales per employee	$480	490	473	472	546	285	736	344	500	482	440	634
Average weekly number transactions per employee	26		31		34	24	33	15	16		17	
Selling cost per cent	4.7	4.6	4.5	5.3	4.8	6.1	4.0	4.9	5.3	5.4	4.6	3.8
Average sales check	$2.47		15.24*		16.01*	11.87	20.22	23.51	35.71		20.48	
Average selling cost per sales check	$0.87		0.68		0.77	0.91	0.91	1.10	1.70		1.16	
Percentage of returns	17.4	10.1		11.1		0.72	22.5	5.0	10.1	4.9	14.7	
Upper Net Sales Third												
Average weekly earnings per employee	$27.72	35.04	25.68	28.11	29.56	23.03	39.05	25.49	38.88	25.50	26.10	27.76
Average weekly net sales per employee	$631	788	604	628	756	511	978	474	898	558	617	903
Average weekly number transactions per employee	21		37		36	31	37	19	17		20	
Selling cost per cent	4.4	4.4	4.3	4.5	3.9	4.5	4.0	5.4	4.3	4.8	4.2	3.1
Average sales check	$30.04		16.30*		21.19*	16.72	34.54	26.58	58.72		36.79	
Average selling cost per sales check	$1.33		0.69		0.83	0.75	1.07	1.36	2.23		1.29	
Percentage of returns	16.2	8.6		10.3			22.6	4.7	12.4	5.9	16.9	

* On net sales.

TABLE 35

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF $360,000 AND UNDER $840,000

	Straight Salary	Salary Plus Commission on All Sales				Quota-Bonus				
	Store No. 71	Store No. 12	Store No. 20	Store No. 72	Store No. 92	Store No. 41	Store No. 48	Store No. 49	Store No. 66	Store No. 93
Lower Net Sales Third										
Average weekly earnings per employee	$24.54	16.71	16.80	19.32	15.01	18.04	19.97	24.08	18.02	19.41
Average weekly net sales per employee	$485	331	277	314	212	316	389	492	318	343
Average weekly number transactions per employee	33					41			21	
Selling cost per cent	5.1	5.0	6.1	6.2	7.1	5.7	5.1	4.9	5.7	5.7
Average sales check	$22.05					8.90			17.34	
Average selling cost per sales check	$0.74					0.44			0.87	
Percentage of returns	33.7		6.0	16.5	6.1	13.0	19.8	14.4	10.9	
Middle Net Sales Third										
Average weekly earnings per employee	$27.07	24.07	18.82	20.41	18.69	24.36	22.32	30.67	21.90	21.14
Average weekly net sales per employee	$623	529	442	483	362	568	548	624	476	471
Average weekly number transactions per employee	27					28			16	
Selling cost per cent	4.3	4.6	4.3	4.2	5.2	4.3	4.1	4.9	4.6	4.5
Average sales check	$31.67					22.83			32.70	
Average selling cost per sales check	$1.01					0.87			1.36	
Percentage of returns	26.8		5.2	18.3	6.1	11.1	19.0	13.3	9.8	
Upper Net Sales Third										
Average weekly earnings per employee	$29.81	27.79	22.54	26.47	23.32	34.57	30.01	33.39	27.94	28.96
Average weekly net sales per employee	$758	675	759	804	648	751	754	799	618	702
Average weekly number transactions per employee	32					29			13	
Selling cost per cent	3.9	4.1	3.0	3.3	3.6	4.6	4.0	4.2	4.5	4.1
Average sales check	$35.22					29.76			50.86	
Average selling cost per sales check	$0.93					1.21			2.12	
Percentage of returns	32.8		4.2	20.2	5.7	11.7	20.6	15.0	7.9	

TABLE 36

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
WOMEN'S READY-TO-WEAR DEPARTMENTS WITH ANNUAL NET SALES OF $840,000 AND OVER

	Straight Salary		Salary Plus Commission on All Sales			Quota-Bonus			Straight Commission
	Store No. 23	Store No. 24	Store No. 21	Store No. 25	Store No. 70	Store No. 40	Store No. 79	Store No. 98	Store No. 30
Lower Net Sales Third									
Average weekly earnings per employee	$29.38	17.62	24.74	24.06	20.81	25.48	16.22	18.95	19.40
Average weekly net sales per employee	$523	433	369	427	328	511	429	300	385
Average weekly number transactions per employee	21	26		50	33	18	44		23
Selling cost per cent	5.6	4.1	6.7	5.6	6.3	5.0	3.8	6.3	5.0
Average sales check	$35.69	19.14		10.05	12.92	36.63	12.17		19.11
Average selling cost per sales check	$1.43	0.68		0.41	0.64	1.44	0.37		0.83
Percentage of returns	28.9	12.1		28.3	22.1	21.3	19.6		13.6
Middle Net Sales Third									
Average weekly earnings per employee	$28.80	22.06	27.40	26.35	21.80	33.58	22.98	20.93	25.48
Average weekly net sales per employee	$727	603	699	651	468	745	625	480	598
Average weekly number transactions per employee	26	24		43	51	18	34		30
Selling cost per cent	4.0	3.7	3.9	4.0	4.7	4.5	3.7	4.4	4.3
Average sales check	$37.55	28.28		20.64	11.28	50.73	23.63		22.01
Average selling cost per sales check	$1.12	0.92		0.62	0.42	1.88	0.68		0.84
Percentage of returns	24.4	10.7		26.0	19.2	17.8	22.2		12.4
Upper Net Sales Third									
Average weekly earnings per employee	$31.26	27.58	34.88	28.82	30.42	45.66	38.14	24.53	35.90
Average weekly net sales per employee	$989	906	1,089	927	775	1,088	890	654	994
Average weekly number transactions per employee	27	24		45	38	16	25		31
Selling cost per cent	3.2	3.0	3.2	3.1	3.9	4.2	4.3	3.8	3.6
Average sales check	$47.67	40.87		26.90	25.60	78.94	49.36		36.86
Average selling cost per sales check	$1.17	1.14		0.64	0.80	2.81	1.53		1.18
Percentage of returns	22.6	8.3		24.0	20.7	15.0	27.9		11.6

TABLE 37

PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 27 READY-TO-WEAR DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	9.3	12.2	9.9	7.8	5.6	5.7	7.3	8.4	11.4	10.5	6.1	5.8
12	7.9	12.5	10.5	7.9	5.9	5.0	9.5	11.6	8.4	8.6	4.8	7.4
21	7.4	9.4	11.2	6.9	7.6	8.4	9.0	10.7	11.4	8.6	5.3	4.1
23	7.1	11.9	8.8	10.7	8.0	6.1	10.1	10.7	9.6	8.4	4.0	4.6
24	13.4	9.4	9.1	7.4	8.1	6.4	8.2	10.4	9.2	8.1	5.1	5.2
25	7.5	8.8	9.8	9.6	6.7	7.5	10.7	9.6	8.8	10.5	5.1	5.4
30	6.8	10.2	8.1	6.2	7.8	7.5	10.4	9.9	9.5	8.1	4.4	11.1
40	11.3	13.4	7.4	8.0	7.2	4.6	9.7	9.9	8.5	6.4	4.2	9.4
41	9.9	10.9	9.5	8.1	6.3	7.1	10.1	8.5	8.0	6.5	4.6	10.5
48	10.8	9.3	9.1	7.2	7.1	5.8	8.0	10.9	8.3	8.7	6.4	8.4
49	11.7	11.7	11.2	10.1	6.0	5.4	11.3	8.8	7.4	7.6	3.4	5.4
54	9.4	10.4	9.9	10.8	6.0	5.8	8.6	8.9	8.3	9.2	6.4	6.3
59	11.8	10.8	11.9	6.9	7.4	4.6	9.0	8.7	8.8	9.7	4.2	6.2
63	15.0	12.9	8.9	7.5	7.2	7.1	8.5	8.9	6.8	8.1	4.1	5.0
65	9.5	12.0	11.1	8.3	6.0	4.9	10.9	9.2	9.5	8.3	4.4	5.9
66	10.6	11.3	8.0	6.2	5.9	6.2	11.2	10.6	9.4	8.0	6.2	6.4
70	4.6	10.1	10.5	10.8	9.1	5.7	13.6	8.6	8.0	7.6	5.1	6.3
71	7.5	10.5	9.5	9.8	7.2	3.4	10.8	7.4	9.5	10.3	5.9	8.2
72	9.2	12.2	13.1	9.6	7.4	6.8	11.6	8.1	6.1	4.6	4.8	6.5
76	7.0	12.0	9.7	9.5	5.0	5.4	11.5	8.0	9.7	4.9	2.8	14.5
79	8.5	15.1	9.2	6.8	10.0	7.4	9.4	7.6	9.1	5.8	5.2	5.9
81	9.5	18.0	12.0	6.8	6.9	8.8	10.4	6.9	7.3	5.2	3.8	4.4
85	9.1	9.4	9.1	11.7	7.8	8.9	8.9	9.0	7.9	6.3	4.8	7.1
92	8.5	10.7	8.7	11.8	8.3	5.8	9.0	7.6	9.0	7.5	5.8	7.3
93	12.5	7.6	6.4	10.6	7.3	5.0	6.2	6.8	8.1	8.0	6.7	14.8
98	7.0	10.7	8.2	8.6	9.8	8.0	9.2	9.0	8.1	7.5	6.7	7.2
99	8.4	15.8	9.8	11.7	7.0	6.2	6.7	8.4	8.1	5.4	5.6	6.9

TABLE 38

MEN'S CLOTHING
AVERAGE WEEKLY EARNINGS PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	$35.99	$33.03		$32.42	$38.38	$37.10	$37.00	$37.00	$38.11	$37.41	$43.65	$43.78
20	23.05	25.52	$40.57	36.26	23.30	33.16	54.58	22.50	23.84	22.18		26.52
21	54.74	50.54	71.63	60.50	65.58	44.31	55.60	86.45	56.57	57.67	43.71	39.62
23	46.34	47.63	47.07	47.07	47.16	47.21	46.98	46.88	46.91	45.72	43.96	43.96
25	33.39	50.06	51.89	40.54	43.92	40.85	38.40	47.99	33.11	44.01	35.07	27.44
40	70.14	55.73	64.48	61.99	54.24	41.74	51.53	41.03	46.65	55.04	47.95	45.39
41	47.38	60.41	55.94	47.16	49.81	41.41	49.66	39.74	43.27	43.27	37.66	40.86
48	46.57	49.39	64.17	79.71	77.91	67.60	72.63	55.84	65.55	63.93	52.68	45.49
49	41.93	41.09	41.20	46.04	40.61	40.33	49.30	49.09	42.13	42.96	41.41	42.30
54	32.90	28.77	40.80	59.95	39.97	35.42	36.82	27.44	34.75	40.66	53.97	34.22
59	34.29	31.16	33.85	32.13	27.74	28.31	36.33	34.86	34.33	36.88	31.34	31.60
63	24.77	41.91	31.14	34.16	26.07	35.72	33.18	41.75	25.59	42.65	30.80	27.27
66	26.29	24.93	38.57	44.27	35.95	29.74	28.45	35.57	37.16	41.60	36.61	29.56
70	48.88	47.78	46.97	49.68	41.64	45.01	48.15	41.65	41.72	45.31	36.89	39.59
72	48.45	52.07	58.56	53.41	52.40	43.99	48.33	44.74	43.02	46.11	37.57	48.34
77	39.00	31.46	40.74	31.46	35.40	35.40	35.32	35.40	35.32	35.40	35.46	
93	45.99	61.25	40.04	38.60	29.96	30.00	27.91	26.43	34.88	29.65	28.66	29.43
98	32.46	33.18	33.78	42.47	34.83	31.45	32.81	30.50	30.29	34.18	31.06	31.31

TABLE 39

MEN'S CLOTHING
AVERAGE WEEKLY NET SALES PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	$ 741	$ 796		$1,163	$ 700	$ 458	$ 666	$ 530	$ 823	$ 746	$725	$697
20	887	606	$1,010	914	579	825	810	526	596	627		268
21	1,118	1,006	1,416	1,226	1,266	850	1,115	1,127	1,132	1,214	782	672
23	1,128	1,295	1,429	1,616	1,187	844	1,173	1,041	1,185	1,401	683	470
25	637	932	1,017	815	807	945	1,077	608	650	888	457	404
40	1,319	1,065	1,235	1,184	1,064	783	1,031	703	898	1,039	903	828
41	1,271	1,895	1,713	1,424	1,351	1,016	1,517	1,207	1,235	1,326	953	906
48	918	861	1,058	1,452	1,422	1,264	1,372	1,027	1,259	1,196	947	839
49	346	324	473	672	419	281	611	612	520	467	472	475
54	483	251	852	1,185	630	463	715	431	549	736	507	384
59	527	455	703	560	290	345	642	601	478	698	338	457
63	790	892	706	747	576	794	723	928	512	892	629	606
66	534	734	691	847	659	423	443	604	655	749	613	574
70	982	1,168	1,010	1,351	777	1,094	1,049	661	734	1,202	612	782
72	1,059	1,397	2,031	1,333	985	758	1,071	946	881	1,159	599	914
77	821	661	706	907	569	388	572	543	401	708	644	
93	1,131	1,477	953	936	612	523	529	532	835	676	612	616
98	659	705	754	1,205	805	522	654	559	578	809	628	643

TABLE 40

MEN'S CLOTHING
AVERAGE WEEKLY NUMBER OF TRANSACTIONS PER FULL-TIME EMPLOYEE

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	44	35		76	40	26	28	23	44	53	62	45
20			33	66	38	44	47	61	57	79		41
21	51	35	43	54	37	30	36	39	47	67	49	33
23	25	24	27	42	26	18	31	23	29	54	38	21
25	22	27	29	36	25	31	34	21	25	46	34	24
40	33	23	23	27	25	20	26	22	29	39	35	30
41	42	59	56	46	45	37	50	43	48	64	50	42
49			16	25	15	11	20	24	24	26	33	23
59	67	64	70	87	39	62	80	88	92	119	81	89
63	58	56	52	56	42	55	48	58	43	78	77	55
66	25	28	28	32	26	20	19	31	35	51	53	29
70	40	36	30	49	25	40	33	23	27	55	37	36
72					38	23	28	26	34	73	20	37
98		46		99	52	37	41	40	48	69	55	51

TABLE 41

MEN'S CLOTHING
SELLING COST PER CENT OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	4.9	4.1		2.8	5.5	8.1	5.6	7.0	4.6	5.0	6.0	6.3
20	2.6	4.2	4.0	4.0	4.0	4.0	6.7	4.3	4.0	3.5		9.9
21	4.9	5.0	5.1	4.9	5.2	5.2	5.0	5.0	5.0	4.8	5.6	5.9
23	4.1	3.7	3.3	2.9	4.0	5.6	4.0	4.5	4.0	3.3	6.4	9.4
25	5.2	5.4	5.1	5.0	5.4	4.3	3.6	7.9	5.1	5.1	7.7	5.6
40	5.3	5.2	5.2	5.2	5.1	5.3	5.0	5.8	5.2	5.3	5.3	5.5
41	3.7	3.2	3.3	3.3	3.7	4.1	3.3	3.3	3.5	3.3	4.0	4.5
48	5.1	5.7	6.1	5.5	5.5	5.3	5.3	5.4	5.2	5.3	5.6	5.4
49	12.1	12.7	8.7	6.9	9.7	14.3	8.1	8.0	8.1	9.2	8.8	8.9
54	6.8	11.5	4.8	5.1	6.3	7.7	5.1	6.4	6.3	5.5	10.6	8.9
59	6.5	6.9	4.8	5.7	9.6	8.2	5.7	5.8	7.2	5.3	9.3	6.9
63	3.1	4.7	4.4	4.6	4.5	4.5	4.6	4.5	5.0	4.8	4.9	4.5
66	4.9	3.4	5.6	5.2	5.3	7.0	6.4	5.9	5.7	5.6	6.0	5.1
70	5.0	4.1	4.7	3.7	5.4	4.1	4.6	6.3	5.7	3.8	6.0	5.1
72	4.6	3.7	2.9	4.0	5.3	5.8	4.5	4.7	4.9	4.0	6.3	5.3
77	9.0	4.8	5.8	3.2	6.2	9.1	6.2	6.5	8.8	5.0	5.5	
93	4.1	4.2	4.2	4.1	4.9	5.7	5.3	5.0	4.2	4.4	4.7	4.8
98	4.9	4.7	4.5	3.5	4.3	6.0	5.0	5.5	5.2	4.2	4.9	4.9

TABLE 42

MEN'S CLOTHING
AVERAGE SALES CHECK OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	$16.94	$22.82		$15.32	$17.37	$17.89	$23.53	$22.87	$18.83	$14.19	$11.68	$15.62
20			$30.93	14.06	15.69	19.08	17.63	8.88	10.65	8.15		7.06
21			33.75	24.10	35.70	30.01	31.90	29.67	24.82	18.81	16.64	21.35
23	47.41	56.98	56.96	42.22	51.63	51.06	41.52	50.15	42.96	28.14	20.39	24.18
25	30.33	36.25	37.87	24.79	35.88	32.10	34.03	30.81	28.23	21.01	15.30	22.24
40	45.74	52.91	60.20	52.14	50.29	46.43	46.12	42.26	33.76	29.24	28.75	31.03
41	31.58	33.21	32.54	33.49	32.63	29.81	31.95	29.43	27.00	21.72	19.73	23.39
48			34.33	29.15	34.14	30.47	33.34	26.79	23.62	19.56	16.09	22.56
49	7.92	7.12	9.99	6.43	7.45	5.59	8.00	6.84	5.20	5.87	4.18	5.16
54	14.63	17.70	15.83	14.97	15.46	15.69	16.59	17.53	12.92	12.14	9.10	11.71
59	23.31	28.18	27.95	28.75	28.56	23.87	25.28	20.89	19.47	16.10	12.52	20.99
63	27.11	35.10	38.06	31.65	36.45	31.74	35.87	32.66	29.24	23.57	18.87	23.68
66					29.09	34.93	41.69	38.86	28.33	16.98	32.55	26.29
70		16.72		13.84	16.79	15.75	17.24	15.10	13.18	12.79	12.21	13.34
72												
98												

TABLE 43

MEN'S CLOTHING
AVERAGE COST PER SALES CHECK OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
15	$ .82	$ .95		$ .43	$ .95	$1.45	$1.31	$1.60	$ .87	$ .71	$ .70	$ .98
20			$1.22	.55	.62	.76	1.17	.37	.42	.28		.64
21	1.07	1.46	1.67	1.12	1.78	1.50	1.54	1.45	1.21	.86	.90	1.22
23	1.82	1.95	1.72	1.13	1.85	2.58	1.52	2.05	1.61	.84	1.15	2.05
25	1.51	1.84	1.77	1.14	1.77	1.31	1.14	2.24	1.32	.98	1.04	1.13
40	2.14	2.44	2.80	2.32	2.13	2.13	1.90	1.88	1.61	1.40	1.37	1.54
41	1.12	1.02	.99	1.03	1.10	1.12	1.00	.93	.90	.67	.75	.98
48			2.54	1.88	2.69	3.64	2.53	2.06	1.75	1.64	1.24	1.88
49												
54	.52	.49	.48	.37	.71	.46	.45	.40	.37	.31	.30	.36
59	.43	.75	.60	.62	.62	.64	.69	.72	.60	.55	.40	.49
63	1.06	.89	1.39	1.39	1.34	1.48	1.49	1.15	1.06	.81	.69	1.00
66	1.22	1.31	1.55	1.02	1.07	1.13	1.47	1.83	1.52	.83	1.00	1.09
70					1.36	1.88	1.74	1.70	1.27	.63	1.87	1.31
72												
98		.72		.43	.67	.85	.80	.75	.63	.50	.56	.61

TABLE 44

MEN'S CLOTHING
AVERAGE PERCENTAGE OF RETURNS ON GROSS SALES OF FULL-TIME EMPLOYEES

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
20	2.1	1.3	2.0	1.9	2.2	1.1	1.9	2.4	1.5	2.2		8.2
23	6.3	7.1	8.3	8.5	9.8	9.7	8.6	9.3	5.3	8.6	12.4	9.5
25	5.3	5.4	8.4	7.6	9.6	5.4	7.6	7.7	8.0	8.0	11.6	8.1
40	12.0	11.9	10.8	14.9	17.0	13.9	14.9	23.8	8.0	9.4	10.4	9.7
41	5.0	4.0	6.8	7.0	8.5	8.2	4.4	4.4	5.4	5.1	3.8	7.3
48	8.3	10.9	15.7	6.3	8.7	6.6	6.8	9.1	6.2	6.6	5.2	9.1
49	4.1	10.4	15.2	6.0	19.0	16.7	6.1	4.3	8.7	9.1	12.1	6.5
54	1.9	2.7	2.9	2.4	6.7	6.2	13.2	2.9	2.0	4.7	1.2	2.9
63	7.0	10.3	14.2	10.1	11.2	9.7	9.9	9.3	7.8	5.3	10.2	6.5
66	7.6	6.6	10.6	7.7	11.8	12.0	8.2	6.4	4.1	9.2	7.1	7.1
70	9.3	8.6	12.7	12.1	14.5	13.1	10.5	11.2	8.7	7.1	12.1	8.9
72	7.6	7.9	8.5	9.4	11.9	7.3	7.4	7.3	7.9	6.6	8.7	5.8
77	1.8	2.1	3.8	5.5	9.1	4.1	4.3	2.9	2.5	1.2	4.9	
98		7.8	11.3	11.8	7.5	10.3	7.1	8.4	8.8	8.4	7.1	6.2

TABLE 45

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
MEN'S CLOTHING DEPARTMENTS WITH ANNUAL NET SALES OF $150,000 AND UNDER $450,000

	Straight Commission			Straight Salary	Quota-Bonus
	Store No. 20	Store No. 48	Store No. 66	Store No. 23	Store No. 98
Low Net Sales Thirds					
Average weekly earnings per employee	$22.45	55.64	22.34	40.01	32.98
Average weekly net sales per employee	$358	1049	347	865	579
Average weekly number transactions per employee			17	30	
Selling cost per cent	6.3	5.3	6.4	4.6	5.7
Average sales check	$		21.90	31.61	
Average selling cost per sales check	$		1.31	1.32	
Percentage of returns	3.2	6.9	7.2	9.9	
Middle Net Sales Thirds					
Average weekly earnings per employee	$28.21	66.58	27.72	46.28	32.95
Average weekly net sales per employee	$634	1133	428	1166	750
Average weekly number transactions per employee			29	27	
Selling cost per cent	4.5	5.9	6.5	4.0	4.4
Average sales check	$		23.43	46.40	
Average selling cost per sales check	$		1.46	1.70	
Percentage of returns	1.7	7.0	3.8	7.5	
High Net Sales Thirds					
Average weekly earnings per employee	$33.36	63.54	40.23	52.79	33.52
Average weekly net sales per employee	$878	1206	808	1318	778
Average weekly number transactions per employee			39	31	
Selling cost per cent	3.8	5.3	5.0	4.0	4.3
Average sales check	$		22.50	46.19	
Average selling cost per sales check	$		1.02	1.70	
Percentage of returns	2.5	10.3	8.8	8.2	

TABLE 46

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
MEN'S CLOTHING DEPARTMENTS WITH ANNUAL NET SALES OF $450,000 AND OVER

	Straight Commission				Salary plus Commission	
	Store No. 21	Store No. 25	Store No. 40	Store No. 41	Store No. 70	Store No. 72
Low Net Sales Thirds						
Average weekly earnings per employee	$29.11	22.45	31.99	23.01	31.22	41.47
Average weekly net sales per employee	$600	333	568	575	549	814
Average weekly number transactions per employee	58	24	25	50	31	
Selling cost per cent	4.9	6.7	5.6	4.0	5.7	5.1
Average sales check	$10.36*	15.56	26.11	12.33	20.13	
Average selling cost per sales check	$0.50	0.92	1.27	0.46	1.01	
Percentage of returns		12.0	13.8	7.0	11.9	7.4
Middle Net Sales Thirds						
Average weekly earnings per employee	$42.26	36.32	48.99	43.00	42.50	47.96
Average weekly net sales per employee	$897	724	937	1267	979	1095
Average weekly number transactions per employee	51	27	27	43	35	
Selling cost per cent	4.7	5.0	5.2	3.4	4.3	4.4
Average sales check	$17.52*	29.13	39.98	31.42	31.20	
Average selling cost per sales check	$0.82	1.34	1.84	0.99	1.21	
Percentage of returns		8.0	11.8	6.7	10.5	9.0
High Net Sales Thirds						
Average weekly earnings per employee	$65.19	48.34	61.31	54.10	54.10	53.06
Average weekly net sales per employee	$1242	961	1160	1526	1149	1315
Average weekly number transactions per employee	38	33	29	53	39	
Selling cost per cent	5.2	5.0	5.3	3.5	4.7	4.0
Average sales check	$32.88*	31.45	47.13	30.22	32.64	
Average selling cost per sales check	$1.73	1.47	2.13	1.02	1.37	
Percentage of returns		6.9	14.3	5.1	10.7	7.5

* Net sales and gross transactions.

TABLE 47

PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 15 MEN'S CLOTHING DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
21	7.5	7.4	11.9	9.3	8.9	7.0	7.9	7.5	10.5	10.5	7.3	4.3
23	7.8	10.4	10.8	12.1	9.4	6.1	8.9	7.6	9.2	8.8	5.4	3.5
25	6.8	8.5	11.4	11.0	9.1	9.8	12.0	5.9	6.6	11.2	2.9	4.8
40	10.3	9.7	10.6	9.9	8.5	5.5	9.9	6.8	8.5	8.7	5.9	5.7
41	7.4	11.4	12.5	11.4	7.8	6.4	9.2	7.5	8.9	7.5	5.4	4.6
48	8.7	6.6	7.8	10.8	7.7	8.9	9.9	8.9	9.1	8.6	8.0	5.0
49	3.7	6.0	8.1	13.4	8.1	6.7	11.2	11.2	10.0	11.3	3.4	6.9
54	9.4	3.9	13.3	15.9	5.2	6.5	14.7	8.8	9.0	8.5	1.8	3.0
59	9.0	7.9	15.2	9.8	5.9	5.0	11.9	7.8	6.2	11.4	4.4	5.5
63	12.2	12.3	8.5	10.0	7.1	8.4	10.2	12.7	3.6	7.9	3.9	3.2
66	7.9	12.7	10.9	10.9	9.2	4.9	5.6	6.5	7.2	9.5	5.7	9.0
70	7.2	11.7	9.8	13.1	7.1	8.3	8.9	5.6	6.4	10.8	5.5	5.6
72	7.8	12.0	16.0	11.0	7.3	5.4	8.9	8.2	5.1	8.1	4.0	6.2
93	12.3	14.3	8.4	11.3	5.9	4.6	6.4	4.7	6.7	7.6	7.9	9.9
98	7.5	9.4	9.6	14.2	10.6	6.1	8.3	6.4	6.8	7.2	6.3	7.6

TABLE 48

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
HOUSE FURNISHINGS DEPARTMENTS WITH ANNUAL NET SALES OF LESS THAN $100,000

	Straight Salary			Salary Plus Commission	Quota-Bonus			
	Store No. 24	Store No. 63	Store No. 92	Store No. 54	Store No. 48	Store No. 49	Store No. 79	Store No. 99
Lower Earnings Third								
Average weekly earnings per employee	$14.70	13.76	13.73	18.60	16.65	16.27	14.00	18.00
Average weekly net sales per employee	$257	229	186	203	319	292	394	236
Average weekly number transactions per employee	138	208				202	178	71
Selling cost per cent	5.7	6.0	7.4	9.2	5.2	5.6	3.6	7.6
Average size of sales check	$2.00	1.15				1.41	2.35	3.36
Average selling cost per sales check	$0.11	0.07				0.08	0.08	0.25
Percentage of returns	6.9	4.6	2.6	6.0	7.3	4.9	5.5	
Middle Earnings Third								
Average weekly earnings per employee	$18.79	15.06	15.64	20.77	18.44	18.98	15.38	20.00
Average weekly net sales per employee	$336	226	304	201	354	316	390	388
Average weekly number transactions per employee	149	182				168	180	129
Selling cost per cent	5.6	6.7	5.1	10.3	5.2	6.0	3.9	5.1
Average size of sales check	$2.44	1.29				1.94	2.29	3.10
Average selling cost per sales check	$0.13	0.08				0.11	0.09	0.15
Percentage of returns	7.4	3.8	1.4	5.0	7.1	6.4	5.3	
Upper Earnings Third								
Average weekly earnings per employee	$25.85	18.64	28.86	22.62	23.43	41.73	17.48	24.00
Average weekly net sales per employee	$352	344	333	226	442	355	463	505
Average weekly number transactions per employee	148	224				193	208	53
Selling cost per cent	7.3	5.4	8.7	10.0	5.3	11.8	3.8	4.8
Average size of sales check	$2.59	1.68				2.35	2.41	8.89
Average selling cost per sales check	$0.17	0.08				0.21	0.08	0.45
Percentage of returns	8.6	8.4	2.1	3.9	7.5	8.9	7.8	

TABLE 49

COMPENSATION AND SALES OF FULL-TIME EMPLOYEES
HOUSE FURNISHINGS DEPARTMENTS WITH ANNUAL NET SALES OF $100,000 AND OVER

	Straight Salary		Salary Plus Commission				Quota-Bonus	
	Store No. 59	Store No. 93	Store No. 20	Store No. 21	Store No. 25	Store No. 72	Store No. 66	Store No. 98
Lower Earnings Third								
Average weekly earnings per employee	$14.10	15.20	13.64	21.45	17.07	18.54	14.54	17.11
Average weekly net sales per employee	$251	281	214	396	280	322	329	274
Average weekly number transactions per employee	243		146	283	153	131	202	139
Selling cost per cent	5.6	5.4	6.4	5.4	6.1	5.8	4.4	6.2
Average size of sales check	$1.03		1.48	1.38	2.04	2.35	1.69	1.97
Average selling cost per sales check	$0.06		0.09	0.08	0.11	0.14	0.07	0.12
Percentage of returns			3.8		10.4	5.0	3.3	5.9
Middle Earnings Third								
Average weekly earnings per employee	$16.84	17.74	16.01	25.14	20.42	23.09	17.97	19.02
Average weekly net sales per employee	$250	305	372	563	363	527	462	302
Average weekly number transactions per employee	251		240	279	177	140	252	147
Selling cost per cent	6.8	5.8	4.3	4.5	5.6	4.4	3.9	6.3
Average size of sales check	$0.99		1.66	2.04	2.28	4.05	1.86	2.14
Average selling cost per sales check	$0.07		0.07	0.09	0.12	0.17	0.07	0.13
Percentage of returns			6.6		10.1	12.6	1.6	3.8
Upper Earnings Third								
Average weekly earnings per employee	$24.00	21.77	19.44	29.90	29.19	31.31	27.94	24.77
Average weekly net sales per employee	$332	296	505	679	503	449	547	537
Average weekly number transactions per employee	260		211	246	146	87	232	146
Selling cost per cent	7.2	7.4	3.9	4.4	5.8	7.0	5.1	4.6
Average size of sales check	$2.28		2.48	2.77	3.94	5.87	2.41	4.20
Average selling cost per sales check	$0.09		0.09	0.12	0.20	0.36	0.12	0.17
Percentage of returns			7.0		12.5	8.5	2.2	7.0

TABLE 50

PERCENTAGE OF ANNUAL BUSINESS DONE IN EACH MONTH IN 14 HOUSE FURNISHINGS DEPARTMENTS

Store Number	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
02	11.3	9.7	10.2	11.8	3.4	5.9	6.8	8.2	7.5	8.7	7.1	9.4
21	9.7	10.4	11.2	10.9	6.5	9.0	6.6	6.7	9.3	7.6	6.4	5.7
25	9.6	9.0	9.3	13.1	6.2	7.9	8.4	8.4	8.0	9.2	5.0	5.9
48	9.5	7.6	10.1	14.4	4.8	5.9	4.8	11.0	8.0	9.2	10.0	4.7
49	7.1	6.9	6.4	11.6	6.3	4.0	6.9	11.7	8.4	11.1	8.1	11.5
54	7.0	9.4	8.3	13.7	5.4	5.8	9.1	6.7	8.7	10.2	6.8	8.9
59	7.6	8.2	10.0	9.4	7.7	6.1	10.2	8.1	9.0	10.7	6.1	6.9
66	7.9	9.5	9.2	8.6	9.0	6.7	8.9	11.5	8.8	6.8	6.7	6.4
72	8.4	11.7	10.0	12.7	5.6	5.3	6.4	11.7	9.2	5.8	7.5	5.7
85	10.6	9.5	8.3	11.0	6.6	6.5	9.4	7.3	6.3	7.3	7.0	10.2
92	9.5	10.5	4.8	13.3	5.5	5.8	11.6	6.0	10.8	8.7	7.8	5.7
93	9.7	7.5	7.5	12.0	5.4	5.8	8.0	7.8	9.7	9.2	7.4	10.0
98	9.1	11.0	7.8	10.5	10.4	7.0	6.4	6.7	8.1	6.4	7.8	8.8
99	5.3	12.5	9.0	12.7	6.9	7.0	6.6	7.0	10.0	11.2	5.5	6.3

TABLE 51

PERCENTAGE OF RETURNS ON GROSS SALES IN WOMEN'S HOSIERY DEPARTMENTS

Percentage	1924	1925	1926	1927	1928
Under 1.0	2		2	2	
1.0 and under 2.0	5	9	8	7	8
2.0 " " 3.0	10	8	8	9	8
3.0 " " 4.0	6	6	4	3	4
4.0 " " 5.0	3	7	7	7	6
5.0 " " 6.0	4	1	1	1	5
6.0 " " 7.0	2	2	3	3	1
7.0 " " 8.0	2	1	1	1	2
8.0 and over	1	1	1	2	1
Total	35	35	35	35	35
Medians	3.1	3.3	2.9	2.9	3.0

TABLE 52

PERCENTAGE OF RETURNS ON GROSS SALES IN WOMEN'S COAT DEPARTMENTS

Percentage	1924	1925	1926	1927	1928
Under 10.0	4	5	4	3	6
10.0 and under 11.0	3	2	2	2	1
11.0 " " 12.0	2	2	3	1	
12.0 " " 13.0	2	2	2	2	1
13.0 " " 14.0	1		1	3	4
14.0 " " 15.0	1	4	4		1
15.0 " " 16.0	2	1	1	4	4
16.0 " " 17.0	1	3	2	1	
17.0 " " 18.0		3	1	2	5
18.0 " " 19.0	5	2	4	4	1
19.0 " " 20.0	1	2	4	2	1
20.0 " " 21.0	2	4	2	3	2
21.0 " " 22.0	2	1	1	3	6
22.0 " " 23.0	3		2	2	
23.0 and over	1	2	1	2	2
Total	30	33	34	34	34
Medians	15.8	16.3	16.0	17.4	16.5

TABLE 53

PERCENTAGE OF RETURNS ON GROSS SALES IN WOMEN'S SUIT DEPARTMENTS

Percentage	1924	1925	1926	1927	1928
Under 10.0	7	5	6	9	6
10.0 and under 11.0	4	4	1	2	1
11.0 " " 12.0	1	3	3	1	1
12.0 " " 13.0	2	2	2	1	1
13.0 " " 14.0	4		3	3	1
14.0 " " 15.0		1	3	1	
15.0 " " 16.0	1	2	4	3	3
16.0 " " 17.0			1	1	2
17.0 " " 18.0	1	6			2
18.0 " " 19.0	4	3	1	3	1
19.0 " " 20.0			2	2	2
20.0 " " 21.0			3		3
21.0 " " 22.0	1	1			1
22.0 " " 23.0		1			
23.0 and over	1				1
Total	26	28	29	26	25
Median	12.2	13.7	13.6	12.7	15.8

TABLE 54

PERCENTAGE OF RETURNS ON GROSS SALES IN WOMEN'S DRESS DEPARTMENTS

Percentage	1924	1925	1926	1927	1928
Under 10.0	3	7	4	6	5
10.0 and under 11.0	2	1	3		1
11.0 " " 12.0	5	2	2	1	2
12.0 " " 13.0		1	2	3	1
13.0 " " 14.0	1	3	2	4	6
14.0 " " 15.0		2			3
15.0 " " 16.0	2	2	4	4	1
16.0 " " 17.0	1	2	4	3	1
17.0 " " 18.0	3	1	2		1
18.0 " " 19.0	3	3	2	3	3
19.0 " " 20.0	3	1	1	1	
20.0 " " 21.0	1	3	3	3	1
21.0 " " 22.0	2	2	1	2	4
22.0 " " 23.0	1		1	2	1
23.0 and over	3	3	3	2	5
Total	30	33	34	34	35
Median	17.3	15.1	15.8	15.8	14.9

INDEX

Absence:
—— paid for, 297
Age:
—— of clerks in hosiery departments, 268–270, 273, 276
—— of clerks in ready-to-wear departments, 270–273, 275–278
Annual net sales (see net sales annual)

Basement Division:
—— rates of commission and bonus, Tables 8, 9, 10 in appendix
—— wage payment, method of, 51–52
Bonus:
—— defined, 7–8
—— for group, 17–18
—— proportions of earnings due to, 30–38, 325–326

Commission:
—— defined, 7–8
—— proportions of earnings due to, 30–38, 325–326
—— rates of, see rates

Data included, 1–2
Discounts to employees, 280–288
—— amount of, 281–285
—— in different departments, 284
—— restrictions on, 285–288
Drawing accounts:
—— in straight commission systems, 13
—— setting of, 326, 328

Earnings, average hourly:
—— in hosiery departments, 293
—— in men's clothing departments, 296
—— in ready-to-wear departments, 293
Earnings, average weekly:
—— in hosiery departments, 30–32, 55–58, 65–67, 70–72, 78–82, 92–99, 234, 253, 293, 337, 339, 344
——— earnings thirds, 78–82
——— large, 81–82
——— medium, 78–81
——— net sales thirds, 83
——— quota-bonus, 66
——— salary plus commission, 66
——— straight salary, 66
—— in house furnishings departments, 37–38, 221, 227–230, 234
——— earnings thirds, 227–231
Earnings, average weekly: in men's clothing departments, 35–37, 178–185, 189–192, 197–199, 206–209, 338–339
——— earnings thirds, 197–200
——— large, 184, 199
——— medium, 184, 198
——— small, 184, 195–197
—— in ready-to-wear departments, 31–35, 117–133, 138–144, 151–152, 234, 296–337, 339
——— earnings thirds, 141–144
——— large, 131–133, 144
——— medium, 129–131, 143
——— net sales thirds, 145
——— small, 125–129, 141–143
Earnings thirds:
——defined, 4–5
—— in hosiery departments, 78–82, 254–255, 268–270
—— in house furnishings departments, 227–231
—— in men's clothing departments, 197–200
—— in ready-to-wear departments, 141–144, 255–257, 270–273
Efficiency groups (see net sales thirds)
Efficiency of sales clerks, 27
—— possibility of improving, 331–332
Employee discounts (see discounts to employees)

Full-time sales clerks:
—— defined, 3
—— in hosiery departments (see Chapter VI)
—— in house furnishings departments (see Chapter XII)
—— in men's clothing departments (see Chapter X)
—— in ready-to-wear departments (see Chapter VIII)
—— working time, 289–293
Full-year employees, see twelve-months employees

Holidays:
—— paid for, 296
Hosiery departments, 54–115
—— earnings, average weekly, 30–32, 55–58, 65–67, 70–72, 78–82, 92–99, 234, 253, 293, 337, 343–344

Hosiery departments, earnings thirds, 78–82, 254–255, 268–270
—— net sales, annual, proportion in month, 86–87, 107–110
—— net sales, average weekly, 4, 57–58, 69, 72–75, 102–105, 234, 317–321, 337, 339, 343–344
—— net sales thirds, 83, 249–250
—— returns, 244–251
—— selling cost, 57, 62–66, 68–69, 75–77, 88–89, 99–102, 110–115, 232–233, 257–258, 273–275, 305–309, 337, 339, 342
—— size of, 54, 67–70
——— large, 81–83, 254–255, 258, 265, 270, 276, 339
——— medium, 78–81, 254–255, 257, 264–265, 268, 276, 339
——— small, 77–78, 254–255, 257, 265, 339
—— transactions, average weekly number of, 60–63, 320
—— transactions, cost of, 61–63, 340
—— transactions, size of, 59–63, 340, 342–343
—— wage payment, methods of, 54, 63–67, 303–313
Hosiery sales clerks:
—— age, 268–270, 273, 276
—— length of service, 252–255, 257, 260, 335–336
—— previous experience, 255
—— relative worth, 263–265, 275–276, 335
—— turnover, 260, 265
Hours of work (see working time)
House furnishings departments, 220–243
—— earnings, average weekly, 37–38, 221, 227–230, 234
—— earnings thirds, 227–231
—— net sales, annual, proportion in months, 236–238, 241–243
—— net sales, average weekly, 221, 227–230, 234
—— selling cost, 225, 232–233
—— size, 221
——— large, 227–229
——— small, 227–229
—— transaction, size of, 221–227
—— wage payment, methods of, 221
House furnishings division:
—— rates of commission and bonus, Tables 6, 9, 10 in appendix
—— wage payment, methods of, 47–49

Identical employees (see twelve-months employees)

Length of service:
—— of clerks in hosiery departments, 252–255, 257–260, 335–336
Length of service of clerks in ready-to-wear departments, 252, 255–256, 258–260, 335–336

Men's clothing departments, 177–219
—— earnings, average weekly, 35–37, 178–185, 189–192, 197–199, 206–209, 338–339
—— earnings thirds, 197–200
—— net sales, annual, proportion in month, 203–205, 214–218
—— net sales, average weekly, 179–181, 184–185, 192–195, 198–199, 207–209, 338–339
—— net sales thirds, 202
—— selling cost, 181–183, 194–198, 205–206, 338–339
—— size of, 182
——— large, 182–185, 199–201, 339
——— medium, 182–185, 197–199, 339
——— small, 182–185, 195–197, 339
—— transactions, average weekly number of, 185–188, 198–199, 210–212, 341
—— transactions, cost of, 185–188, 199–200
—— transactions, size of, 185–188, 212–213, 341
—— wage payment, methods of, 177–179
Men's and boys' wear division:
—— rates of commission and bonus, Tables 5, 9, 10 in appendix
—— wage payment, methods of, 46–47
Merchandise, arrangement of, 334
Methods of analysis, 4–5
Methods of wage payment (see wage payments)
Miscellaneous division:
—— rates of commission and bonus, Tables 7, 9, 10 in appendix
—— wage payment, methods of, 49–51

Net sales, average weekly:
—— factors, not connected with wage payment, 4, 28, 333
—— in hosiery departments, 4, 57–58, 69, 72–75, 102–105, 234, 317–321, 337, 339, 343–344
—— in house furnishings departments, 221, 227–230, 234
——— earnings thirds, 230
——— large, 227–230
——— quota-bonus, 227–230
——— salary plus commission, 227–230
——— small, 227–230
——— straight salary, 227–230
—— in men's clothing departments, 179–181, 184–185, 192–195, 198–199, 207–209, 338–339
——— earnings thirds, 197–200

Net sales, average weekly (*Continued*)
—— in men's clothing department, large, 184–185, 199–201
——— medium, 184–185, 198–199
——— small, 184–185, 197
—— in ready-to-wear departments, 117–119, 129, 135–138, 153–156, 234, 314–316, 321–323, 337–339
——— earnings thirds, 141–144
——— large, 133, 134, 142, 339
——— medium, 129–131, 134, 142, 339
——— small, 127–129, 134, 142, 339
Net sales thirds:
—— defined, 5
—— in hosiery departments, 83, 249–250
—— in men's clothing departments, 202
—— in ready-to-wear departments, 145, 249–250, 331
Part-time sales clerks:
—— defined, 3
—— in hosiery departments, 105–115, 266–267
—— in house furnishings departments, 238–242
—— in men's clothing departments, 214–218
—— in ready-to-wear departments, 165–176, 267–268
—— working time, 298–299
Per diem sales clerks:
—— defined, 3
—— discounts to, 285–287
—— in hosiery departments, 105–115, 266–267
—— in house furnishings departments, 238–242
—— in ready-to-wear departments, 165–176, 267–268
—— working time, 298–299
Piece goods division:
—— rates of commission and bonus, Tables 1, 9, 10 in appendix
—— wage payment, methods of, 42
Plans of payment, (see wage payments)
P. M's:
—— defined, 29
—— proportions of earnings due to, 33–38

Quota:
—— defined, 9
—— fixing or setting of, 9–13, 326–327

Range:
—— in earnings:
——— in hosiery departments, 70–72
——— in men's clothing departments, 189–192
——— in ready-to-wear departments, 138–141
Range in net sales:
——— in hosiery departments, 72–75
——— in men's clothing departments, 192–195
——— in ready-to-wear departments, 135–138
—— in selling costs:
——— in hosiery departments, 75–77
——— in men's clothing departments, 194, 196
Rates of commission:
—— under quota-bonus, 52–53, Tables 9–10 in appendix
—— under salary plus commission, 41, Tables 1–8 in appendix
—— under straight commission, 41, Tables 1–8 in appendix
Rating of employees, 5
—— in hosiery departments, 263–265, 275–276, 335
—— in ready-to-wear departments, 266, 276, 335
Ready-to-wear departments, 116–176
—— earnings, average weekly, 31–35, 117–133, 138–144, 151–152, 234, 296, 337, 339
—— earnings thirds, 141–144, 255–257, 270–273
—— net sales, annual, proportion in month, 146–147, 165–171
—— net sales, average weekly, 117–119, 129, 135–138, 153–156, 234, 314–316, 321–323, 337–339
—— net sales thirds, 145, 249–250, 331
—— returns, 247–249
—— selling cost, 119–121, 148, 171–176, 258–260, 275, 314–316, 331, 337–339
—— size of, 116, 125
——— large, 127–135, 144, 255–257, 259, 262, 265–266, 273
——— medium, 127–131, 143, 255–257, 259, 262, 265–266, 273
——— small, 125–129, 141–143, 255, 259, 262, 265–266 273
—— transactions, average weekly number of, 120–122, 156–160, 341
—— transactions, size of, 120–122, 160, 341
—— wage payment, methods of, 117, 313–316
Ready-to-wear sales clerks:
—— age, 270–273, 275–278
—— length of service, 252, 255–256, 258–260, 335–336
—— previous experience, 257
—— relative worth, 266, 276, 335–336
—— turnover, 260–262, 266, 348
Relative worth:
—— computation of, 263–264

Relative worth of clerks in hosiery departments, 263–265, 275–276, 335
—— of clerks in ready-to-wear departments, 266, 276, 335–336
Returns:
—— in hosiery departments, 246–251, 344
—— in ready-to-wear departments, 133, 163–165, 247–249, 344
Salary:
—— as a method of payment:
——— advantages of, 19–21
——— defined, 8
——— difficulties, 21
——— selling cost at different rates, 305
—— proportions of earnings due to, 30–38, 325–326
Sales check (see transactions)
Seasonal fluctuations, 5
—— adjusting personnel to, 327–329
—— in earnings:
——— in hosiery departments, 92–99
——— in men's clothing departments, 207–209
——— in ready-to-wear departments, 151–154
—— in net sales:
——— in hosiery departments, 86–89, 102–110
——— in house furnishings departments, 236–237
——— in men's clothing departments, 203–205, 214–218
——— in ready-to-wear departments, 146–147, 154–156
—— in number of transactions:
——— in hosiery departments, 320
——— in men's clothing departments, 210–212, 341
——— in ready-to-wear departments, 156, 341
—— in selling costs:
——— in hosiery departments, 88–89, 99–102, 110–115
——— in house furnishings departments, 238–239
——— in men's clothing departments, 205–206
——— in ready-to-wear departments, 148–150, 160–163
—— in size of transactions:
——— in men's clothing departments, 185–188
——— in ready-to-wear departments, 156, 160
Selling cost:
—— in hosiery departments, 57, 62–66, 68–69, 75–77, 88–89, 99–102, 110–115, 232–233, 257–258, 273–275, 305–309, 337, 339, 342
Selling cost (*Continued*)
——in hosiery departments, large, 68, 339
——— medium, 68, 339
——— quota-bonus, 65–66
——— salary plus commission, 65–66
——— small, 68, 339
——— straight salary, 65–66
——— typical, 57
—— in house furnishings departments, 225, 232–233
——— earnings thirds, 227–231
—— in men's clothing departments, 181–183, 194–198, 205–206, 338–339
——— earnings thirds, 197–200
——— large, 182–183, 199–201, 339
——— medium, 182–183, 197–199, 339
——— net sales thirds, 202
——— small, 182–183, 197, 339
—— in ready-to-wear departments, 119–121, 148, 171–176, 258–260, 275, 314–316, 331, 337–339
——— earnings thirds, 141–144
——— large, 133–135, 144, 258, 339
——— medium, 131, 143, 258, 339
——— small, 127, 141–143, 258, 339
Short-service sales clerks:
—— in hosiery departments, 105–115
—— in house furnishings departments, 238–241
—— in men's clothing departments, 216
—— in ready-to-wear departments, 165–176
Small wares division:
—— rates of commission and bonus, Tables 2, 9, 10 in appendix
—— wage payment, methods of, 42–43
Special rewards, 8
Stims:
—— defined, 30
—— proportions of earnings due to, 30–38

Transactions, average weekly number of:
—— in hosiery departments, 60–63, 320
—— in men's clothing departments, 185–188, 198–199, 210–212, 341
—— in ready-to-wear departments, 120–122, 156–160, 341
——— large, 133
——— medium, 131
Transactions, cost of:
—— in hosiery departments, 61–63, 340
—— in men's clothing departments, 185–188, 199–200
Transactions, size of:
—— in hosiery departments, 59–63, 340–343

Transactions, size of: in house furnishings departments, 221–227
—— in men's clothing departments, 185–188, 212–213, 341
—— in ready-to-wear departments, 120–122, 160, 341
——— large, 133
Transfer of employee, 328–329
Turnover:
—— in hosiery departments, 260, 265
—— in ready-to-wear departments, 260–262, 266, 348
Twelve-months clerks:
—— in hosiery departments:
——— earnings, 92–99
——— net sales, 102–110, 318
——— selling cost, 99–102, 110–115
——— transactions, number of, 320
—— in house furnishings departments, 238–242
—— in men's clothing departments:
——— earnings, 206–208
——— net sales, 207–209
——— transactions, number of, 210–212
——— transactions, size of, 185–188
—— in ready-to-wear departments:
——— earnings, 151–152
——— net sales, 153–156, 165–176
——— selling cost, 171–176
——— transactions, number of, 156–160
——— transactions, size of, 160

Vacations, 297

Wage groups (see earnings thirds)
Wage payment, methods of:
—— changes in within stores, 27
—— defined, 7–18
—— difficulties in operation of, 19–28
—— factors influencing, 346–348
—— fundamental types of, 8
—— geographical distribution, 40–41
—— group bonus, 17–18
—— in the basement division, 51–52, Tables 8, 9, 10 in appendix
—— in hosiery departments, 54, 63–67, 303–313
—— in house furnishings departments, 221
—— in the house furnishings division, 47–49, Tables 6, 9, 10 in appendix
Wage methods, payments of: in men's clothing departments, 177–179
—— in the men's and boys' wear division, 46–47, Tables 5, 9, 10 in appendix
—— in the miscellaneous division, 49–51, Tables 7, 9, 10 in appendix
—— in the piece goods division, 42, Tables 1, 9, 10 in appendix
—— in ready-to-wear departments, 117, 313–316
—— in the small wares division, 42–43, Tables 2, 9, 10 in appendix
—— in stores of different volumes, 39–40, 302
—— in women's accessories division, 43–44, Tables 3, 9, 10 in appendix
—— in the women's ready-to-wear division, 44–46, Tables 4, 9, 10 in appendix
—— percentage plus plan, 17
—— quota-bonus:
——— defined, 9
——— difficulties, 23–25
——— selling costs at various rates, 308–309
——— setting of quota, 9–13
—— salary:
——— advantages, 19–21
——— defined, 8
——— difficulties, 21
——— selling costs at different rates, 305
—— salary plus commission:
——— defined, 8
——— difficulties, 21–23
——— selling costs at different rates, 306
——— variations, 16–17, 22
—— special plans, 15
—— straight commission:
——— defined, 13
——— used in special departments, 13
——— with drawing account, 13
—— two or more plans, 14
Women's accessories division:
—— rates of commission and bonus, Tables 3, 9, 10 in appendix
—— wage payment, methods of, 43–44
Women's ready-to-wear department, (see ready-to-wear)
Women's ready-to-wear division:
—— rates of commission and bonus, Tables 4, 9, 10 in appendix
—— wage payment, methods of, 44–46
Working time, 289–296

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